

Annual Report 2023-24



Kotak Mahindra Prime Limited



Transforming
for scale



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Directors' Report

To the Members of
KOTAK MAHINDRA PRIME LIMITED

The Board of Directors has pleasure in presenting Twenty Eighth Annual Report together with audited Financial Statements of your Company for the year ended 31st March, 2024.

FINANCIAL HIGHLIGHTS

Financial performance under Ind AS for FY 2023-24 with comparative numbers for FY 2022-23 is presented below:

Particulars	(₹ in Lakh)	
	Year ended 31 st March, 2024	Year ended 31 st March, 2023
Gross Income	392,049.50	2,99,764.32
Profit before Depreciation and Tax	1,17,705.61	1,28,345.48
Depreciation	1,793.60	1,269.55
Profit before Tax	1,15,912.01	1,27,075.93
Provision for Tax	29,142.14	32,322.85
Profit after Tax	86,769.87	94,753.08
Other Comprehensive Income	73,193.66	6,088.51
Total Comprehensive Income	159,963.53	1,00,841.59
Balance of Profit from previous years	625,765.18	5,51,757.30
Appropriations:		
Dividend paid on Equity Shares	1,747.60	1,747.60
Transfer to Special Reserve u/s 45IC of the RBI Act, 1934	17,800.00	18,950.61
Surplus carried forward to the Balance Sheet	6,93,073.43	6,25,765.18

DIVIDEND

The Directors recommend Dividend on Equity Shares @ ₹ 70.00 per equity share (Previous Year: ₹ 50.00 per equity share).

DEBENTURES

Pursuant to various circulars issued by the Securities and Exchange Board of India (SEBI) and the Reserve Bank of India (RBI) from time to time, the Company continues to issue debentures on private placement basis and list all debentures issued, on the BSE Limited under Information Memorandums issued by the Company from time to time. The Company has appointed IDBI Trusteeship Services Limited as Debenture Trustees to the issues.

The Contact details of the Debenture Trustees are:

IDBI Trusteeship Services Limited
Address: IDBI Trusteeship Services Limited, Universal Insurance Building, Ground Floor, Sir P.M. Road, Fort, Mumbai - 400001
Contact Numbers: 022- 40807181; Fax - 022-66311776
Email: naman.choubey@idbitrustee.com;
subrat@idbitrustee.com; itsl@idbitrustee.com
Website: www.idbitrustee.com

CAPITAL ADEQUACY

The Capital to Risk Assets Ratio (CRAR) of your Company as on 31st March, 2024 was at 25.22% (Tier I – 24.66%).

CREDIT RATING

The Company's long-term borrowings rating continued to be "AAA" (with Stable Outlook) by CRISIL and ICRA. The Company's Tier II Subordinated Debts continued to be dual rated by CRISIL and ICRA, with a rating of "AAA" (with Stable Outlook).

The Company's short-term borrowing program rated by CRISIL and ICRA continued to enjoy the highest rating of "A1+".

The assessment of your Company's risk profile by the rating agencies strengthens the confidence placed by a large pool of investors in your Company.

AAA indicates highest degree of safety regarding timely servicing of financial obligations and carries a lowest credit risk.



FINANCE

Your Company continues to be a Non-Deposit Accepting NBFC - Investment and Credit Company (reclassified from Asset Finance Company (AFC) vide RBI circular dated 22nd February, 2019 on Harmonization of NBFCs categories). It has well diversified and large pool of lenders comprising of Public and Private Sector Banks, Mutual Funds, Insurance Companies, Pension Funds, Financial Institutions, Foreign Institutional Investors (FI) and Corporates. Your Company continued to introduce new lenders / investors during the year. Further, prudent Asset Liability Management continues to be focus of your Company.

The RBI maintained the policy repo at 6.50% during the financial year 2023-24 due to concerns on inflation being higher than the mandated target levels. The US Federal Reserve increased the Fed Funds rate by cumulative 50bps during April – July 2023 from the range of 4.75%-5.00% levels to the range of 5.25%-5.50% levels on account of high inflation concerns. Thereafter the US Federal Reserve continued to maintain the Fed Funds rate at these levels due to concern on inflation being higher than mandated target levels. Though inflation is trending down, geo-political tensions and volatility in financial markets are posing risks to the inflation outlook.

For the financial year 2023-24, the provisional estimate released by National Statistical Office places India's real Gross Domestic Product (GDP) at 8.2% on the back of buoyant domestic demand. The global economy exhibits resilience and is likely to maintain its steady growth in 2024.

Despite continued challenges faced during the financial year, your Company continued to get regular access to funding from various sources and has continued to maintain adequate liquidity profile.

Your Company with its strong treasury and risk management philosophies and practices is well geared to meet the challenges of dynamic interest rate and liquidity environment.

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY BUSINESS

Your Company primarily is into vehicle finance business, engaged in financing of retail customers for passenger cars, multi-utility vehicles, two wheelers and inventory and term funding to auto dealers. It is also engaged in loan against property, corporate loans, developer finance and other lending.

Your Company is focusing on capitalizing its distribution strength with original equipment manufacturers, Dealers, Channel partners and customers. Customer base, easy accessibility through its wide network of branches and a firm commitment to deliver superior customer service, has enabled your Company to maintain its market position.

The main streams of income for your Company are income from retail car and two wheeler loans, dealer finance income and fee based income. Your Company also receives income from loans against property and other lending. The major expenses for your Company are interest expense, business sourcing expense and cost of running operations.

During the Financial Year 2023-24, your Company's retail disbursements were at ₹ 19,39,312 lakh as against ₹ 14,87,221 lakh in the previous year. During the year under review, net advances stood at ₹ 34,42,803.82 lakh as against ₹ 26,74,138.24 lakh in the previous year.

Your Company continued to focus on cost control and credit losses, while improving its positioning in the car finance industry.

As detailed in the 'Financial Results' section above, Gross Income of your Company increased from ₹ 2,99,446.47 lakh in 2022-23 to ₹ 3,92,049.50 lakh in 2023-24. Profit before Tax was at ₹ 1,15,912.01 lakh in 2023-24 as compared to ₹ 1,27,075.93 lakh in 2022-23.

SEGMENT WISE PERFORMANCE

The Company has identified segments as Vehicle Financing, Other Lending activities and Treasury and Investments.

Vehicle Finance includes Retail and Wholesale vehicle finance and the segment result is Profit before tax of ₹ 63,655.24 lakh. Other Lending activities include loan against property, debenture investment / lending in commercial real estate and other loan / fee based services and the segment result is Profit before tax of ₹ 9,490.88 lakh. Treasury and Investment activities include proprietary trading in shares and the segment result is Profit before tax of ₹ 40,800.15 lakh.

INDUSTRY SCENARIO

The passenger car market in India saw a growth of 8.47% for the Financial Year 2023-24. Total unit sales of cars and MUV's crossed 42.07 lakh units in financial year 2023-24.

The two wheeler market in India saw a growth of 13.41% for the Financial Year 2023-24. Total unit sales of two-wheeler crossed 179.74 lakh units in financial year 2023-24.

OUTLOOK

Amidst challenging global economic environment, the Indian economy is exhibiting strength and stability with robust macroeconomic fundamentals and financial stability. India has emerged as the fastest growing major economy in the world and a leading contributor to global growth. The prospect of strengthening agricultural sector activity (forecast of above normal south-west monsoon by the India Meteorological Department) is expected to boost rural

consumption. On the other hand, sustained buoyancy in services activity should continue to support urban consumption. The healthy balance sheets of banks and corporates; government's continued thrust on capex; high capacity utilisation and business optimism augur well for investment activity. External demand to get a fillip from expected improving prospects of global trade.

Need for personal mobility, investments in infrastructure by the government and improved supply situation has resulted in higher demand for vehicles in India. To leverage the growing demand for vehicles, company is focusing on expanding its operations and invest in new technologies, without losing its focus on portfolio quality. Wide branch network and a firm commitment to deliver superior customer service is helping the company to maintain its market position.

INTERNAL CONTROLS

The Company has designed a robust and comprehensive internal control system across all major processes to ensure efficient operations, compliance with laws and regulations and reliability of financial reporting. Internal Audits are conducted by an in-house Internal Audit team. The Head of Internal Audit reports to the Audit Committee of the Board. The Risk Based Internal Audit framework supports the system, which evaluates the effectiveness of internal controls, risk management and governance processes to provide independent assurance to the Board of Directors and Audit Committee of the Board. The Risk Based Internal Audit framework is appropriate for the business's size, scale and complexity and the risk based internal audit plan is developed based on the risk profile of its activities. The Audit Committee of the Board approves the risk based internal audit plan annually and regularly reviews the Internal Audit Department's observations, performance status, providing guidance as needed.

HUMAN RESOURCES

The Company is professionally managed with key management personnel having relatively long tenure with the Company. Your Company follows a policy of building strong teams of talented professionals. Your Company encourages and facilitates long term careers with your Company through carefully designated management development programs and performance management systems. The total number of on roll employees was 2,378 at end of 31st March, 2024.

INFORMATION TECHNOLOGY

Your Company uses "ORACLE FUSION" as its Financial system and the operating system 'CORE' which is owned and managed by Kotak Mahindra Bank Limited and is used for its retail assets division since 2003. The CORE system has the latest technology platform and also has capacity to scale based on business requirements. The modular nature of the system supports efficiency in operations coupled with strong systems and operational controls. The system is robust to cater to efficient customer service and support marketing initiatives at reasonable cost. The Company has implemented various systems during the year to enhance efficiency.

CAUTIONARY NOTE

Certain statements in the 'Management Discussion and Analysis' section may be forward-looking and are stated as may be required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of future performance and outlook. Your Company does not undertake to update these statements.

DIRECTORS' & KEY MANAGERIAL PERSONNEL

CHANGE IN DIRECTORS DURING THE YEAR

Appointment of Directors

Mr. Prakash Apte (DIN: 00196106) was appointed as an Additional Director and Independent Director of the Company with effect from January 1, 2024, subject to the approval of the members at the General meeting. The Nomination & Remuneration Committee at its meeting held on December 28, 2024 has recommended the appointment of Mr. Prakash Apte as an Independent Director to the Board and shareholders of the Company. Accordingly, the members of the Company at the Extraordinary General meeting of the Company held on March 19, 2024 approved the appointment of Mr. Prakash Apte as an Independent Director.

Mr. Prakash Apte, aged 69 years, is a B.E. (Mechanical), served as Managing Director of Syngenta India Limited ("SIL"), an agricultural business company in India and a subsidiary of Syngenta Group, one of the largest research based agribusiness in the world, from November 2000 to April 2011. Mr. Apte has been the Non-Executive Chairperson of SIL from May 2011 till September 2021. He was instrumental in setting up the Syngenta Foundation India which focuses on providing knowledge and support for adopting scientific growing systems to resource poor farmers and enabling their access to market. In a career spanning over 40 years, he has extensive experience in various areas of management, business leadership and agriculture sector. In the more than 16 years of successful leadership experience in agriculture business, he has gained diverse knowledge in various aspects of businesses and has been involved with many initiatives for technology, knowledge and skills upgradation in this sector, which is vital for India's food security. Besides his current directorship in various listed and unlisted companies given above, he was also on the Boards of Syngenta Foundation India and Indo-Swiss Centre of Excellence up to 15th July, 2021 and 8th June, 2021, respectively.

Appointment of Directors

Mr. Nihar Rao (DIN: 07721724) was appointed as an Additional Director and Independent Director of the Company with effect from March 12, 2024, subject to the approval of the members at the General meeting. The Nomination & Remuneration Committee at its meeting held on March 12, 2024 has recommended the appointment of Mr. Nihar Rao as an Independent Director to the Board and shareholders of the Company. Accordingly, the members of



the Company at the Extraordinary General meeting of the Company held on March 19, 2024 approved the appointment of Mr. Nihar Rao as an Independent Director.

Mr. Nihar Rao, aged 65 years, Mr. Nihar Rao has over 40 years of work experience managing Enterprise IT, with 20 years as a Chief Information /Technology Officer – working across a range of diverse service businesses including Mobile Telephony, Life Insurance, ISP & Media, and Hospitality services, mostly during periods of business startup and/or rapid transformation. During his working career, Nihar has worked for Reliance Communications/ Reliance Telecom, Hathway Cable & Datacom, Kotak Life Insurance, Max India/Hutchison Max Telecom, Indian Hotels Co. & TCS – being a member of the founding team in several of these. He has guided technology-enabled transformations in complex greenfield as well as large scale brownfield service businesses. He combines expertise in managing business technology, and back-office operations at scale with strong change management skills. The range & intensity of his engagements has provided him with valuable insights into ways of harnessing IT for business as well as into the inherent risks. Nihar has been working as a self-employed business technology consultant for several years with engagements for a diverse set of clients including an asset management co., a digital book publisher, a software development co., and an advertising co. He has been a certified TOGAF (Enterprise Architect) & COBIT (IT Governance) assessor. During this period, he has also worked as an honorary technology advisor to a startup NGO in the field of education for the underprivileged. Nihar completed his education at IIM Kolkata (PGDM) & IITD (B.Tech. Elect. Engg.).

Resignation of Directors

Mr. Chandra Shekhar Rajan (DIN: 00126063) resigned as an Independent Director of the Company effective from the end of the day on December 31, 2023. Due to the resignation as a Director, Mr. Rajan ceased to be a member of the Corporate Social Responsibility Committee and Risk Management Committee. Your Directors placed on record their appreciation and deep gratitude for the immense contributions made by Mr. Chandra Shekhar Rajan, as an Independent Director to the Company during his tenure.

Directors retiring by rotation during the year

Mr. Vyomesh Kapasi (DIN: 07665329), Managing Director, retires by rotation at the Twenty Eighth Annual General Meeting and being eligible, has offered himself for re-appointment.

Mr. Shahrukh Todiwala (DIN: 09291062), Whole-Time Director, retires by rotation at the Twenty Eighth Annual General Meeting and being eligible, has offered himself for re-appointment.

Re-appointment of Whole-Time Director

The Board of Directors, based on the recommendation of the Nomination & Remuneration Committee, re-appointed Mr. Shahrukh Todiwala (DIN: 09291062) as the Whole-Time Director of the Company for a period with effect from 6th September 2024 until 31st May 2026, subject to the approval from the shareholders at the General meeting. Accordingly, the approval of the Members is being sought at the ensuing Annual General Meeting.

Declaration from Independent Directors

The Board has received declarations from the Independent Directors as per the requirement of Section 149(7) of the Companies Act, 2013 and the Board is satisfied that the Independent Directors meet the criteria of independence as mentioned in Section 149(6) of the Companies Act, 2013.

Board Evaluation

The Nomination and Remuneration Committee of the Company's Board has formulated the criteria for performance evaluation of the Directors and the Board as a whole. The Criteria formulated broadly covers the Board role, Board/Committee membership, practice & procedure and collaboration & style.

In line with the SEBI Guidance note on Board Evaluation, a Board effectiveness assessment questionnaire was designed for the performance evaluation of the Board, its Committees, Chairman and individual directors and in accordance with the criteria set and covering various aspects of performance including structure of the board, meetings of the board, functions of the board, role and responsibilities of the board, governance and compliance, evaluation of risks, grievance redressal for investors, conflict of interest, relationship among directors, director competency, board procedures, processes, functioning and effectiveness. The said questionnaire was circulated to all the directors of the Company for the annual performance evaluation.

Based on the assessment of the responses received to the questionnaire from the directors on the annual evaluation of the Board, its Committees, Chairman and the individual Directors, a summary of the Board Evaluation was placed before the Independent Directors for consideration. Similarly, the Board at its meeting assessed the performance of the Independent Directors. The Directors were satisfied with the results of the performance evaluation of the Board & its Committees, Chairman and individual directors.

Key Managerial Personnel (KMPs)

In terms of the provisions of Section 203 of the Companies Act, 2013, Mr. Vyomesh Kapasi, Managing Director, Mr. Shahrukh Todiwala, Whole-Time Director, Mr. Jason Dalgado, Chief Financial Officer and Mr. Kiran Tangudu, Company Secretary, are the Key Managerial Personnel of the Company.

Appointment & Remuneration of Directors and KMPs

The Nomination and Remuneration Committee of the Board of Directors of the Company has formulated criteria for appointment of Senior Management Personnel and the Directors. Based on the criteria set it recommends to the Board the appointment of Directors and Senior Management personnel. The Committee considers the qualifications, experience fit and proper status, positive attributes as per the suitability of the role and independent status and various regulatory/statutory requirements as may be required of the candidate before such appointment.

The Board has adopted a Compensation Policy for the Whole-time Directors, Chief Executive Officer and other employees of the Company. The Policy is in line with the Compensation Policy of Kotak Mahindra Bank Limited, its holding company (the compensation policy is available on the Company's website hosted in <https://www.primeloans.kotak.com/policies.htm>), which is based on the Guidelines issued by Reserve Bank of India. The salient features of the Remuneration Policy are as follows:

- Objective is to maintain fair, consistent and equitable compensation practices in alignment with Kotak's core values and strategic business goals
- Applicable to all employees of the Company. Employees classified into various groups:
 - o Whole-time Directors/Chief Executive Officer
 - o Senior Management
 - o Risk, Operations, Support Staff, Other categories of Staff
- Compensation structure broadly divided into Fixed, Variable and ESOPs
 - o Fixed Pay – Total cost to the Company i.e. Salary, Retirals and Other Benefits
 - o Variable Pay – Linked to assessment of performance and potential based on Balanced Key Result Areas (KRAs), Standards of Performance and achievement of targets with overall linkage to Bank budgets and business objectives. The main form of incentive compensation includes – Cash, Deferred Cash/Incentive Plan and Stock Appreciation Rights
 - o ESOPs of Kotak Mahindra Bank Limited – Granted on a discretionary basis to employee based on their performance and potential with the objective of retaining the employee
- Compensation Composition – The ratio of Variable Pay to Fixed Pay and the ratio of Cash v/s Non Cash within Variable pay outlined for each category of employee classification
- Any variation in the Policy to be with approval of the Nomination & Remuneration Committee
- Malus and Clawback clauses applicable on Deferred Variable Pay

The Board of Directors have adopted a compensation policy for the Non-Executive Directors (NEDs) of the Company. The salient features of the Compensation Policy are as follows:

- Compensation structure broadly divided into:
 - o Sitting fees
 - o Re-imbursment of expenses
 - o Fixed Remuneration

Further, Non-Executive Directors who have pecuniary relationship with the holding company or subsidiaries of the holding company (i.e. who are advisors / in an advisory role and in receipt of remuneration from the Holding company or subsidiaries of the holding company), shall also not be eligible for sitting fees and fixed remuneration.

- Amount of sitting fees and compensation to be decided by the Board from time to time, subject to the regulatory limits
- Independent Directors are not eligible for any stock options of Kotak Mahindra Bank Limited, the Company's holding company

Remuneration to the KMPs i.e. Managing Director, Whole-Time Director, Chief Financial Officer and the Company Secretary, is as per the terms of their employment.

Number of Board Meetings

During the year, 13 meetings of the Board of Directors were held.



Disclosures pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Ratio of the remuneration of each director to the median remuneration of the employees for the financial year:

Name	Title	Ratio	Ratio excluding SARs
Mr. Vyomesh Kapasi	Managing Director	88.37x	75.93x
Mr. Shahrukh Todiwala	Whole-Time Director	65.69x	53.96x

2. Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Director/KMP	Title	% increase / (decrease) in remuneration	% increase / (decrease) in remuneration excluding SARs
Mr. Vyomesh Kapasi	Managing Director	30.72%	18.80%
Mr. Ravi Venkatraman	Whole-Time Director	28.44%	11.83%
Mr. Bharat Thakkar [^]	Chief Financial Officer	-	-
Mr. Jason Dalgado [^]	Chief Financial Officer	-	-
Mr. Kiran Tangudu	Company Secretary	13.81%	13.81%

[^]Mr. Bharat Thakkar and Mr. Jason Dalgado held position of CFO for part of the year

3. Percentage increase / (decrease) in the median remuneration of employees in the financial year:

1.10% considering employees who were in employment for the whole of FY 2023-24 and FY 2022-23.

4. Number of permanent employees on the rolls of Company at the end of the year: 2,378

5. Average percentile increase / (decrease) already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase / (decrease) in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

For employees other than managerial personnel who were in employment of FY 2023-24 and FY 2022-23 the average increase (decrease) is 12.46% and 11.71% excluding SARs.

Average increase / (decrease) for Managerial Personnel is 28.43% and 15.63% excluding SARs. The data excludes CFO resigned / appointed for part of the year FY 2023-24

6. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company is in compliance with its Compensation Policy.

Notes:

- 1) The Independent Directors of the Company receive remuneration in the form of sitting fees for attending the Board/Committee meetings and in the form of a fixed remuneration.
- 2) Remuneration includes Fixed pay + Variable paid during the year + perquisite value as calculated under the Income Tax Act, 1961. However, it does not include value of Stock Options.
- 3) Stock Appreciation Rights (SARs) are awarded as variable pay. These are settled in cash and are linked to the average market price/closing market price of the stock of Kotak Mahindra Bank Limited on specified value dates. Cash paid out during the year is included for the purposes of remuneration.

COMMITTEES

(A) AUDIT COMMITTEE

The Audit Committee was re-constituted during the year and presently consists of Mr. Ravi Venkatraman (Chairman), Mr. Chandrasekhar Sathe, Ms. Akila Urankar and Mr. Amit Mohan. The quorum comprises of any three members.

During the financial year ended 31st March, 2024, 11 meetings of the Committee were held.

The First Tier Audit Committee was re-constituted during the year and presently comprises of Mr. Vyomesh Kapasi, Mr. Jason Dalgado and Ms. Arti Shekhar. The quorum comprises of any three members. The Committee screens the matters entrusted to the Audit Committee and also the routine matters such as overseeing the programme of inspections and compliance of inspection reports.

(B) NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee presently comprises of Mr. Chandrasekhar Sathe (Chairman), Ms. Akila Urankar, Mr. Ravi Venkatraman and Mr. Uday Kotak. The quorum comprises of any three members.

During the financial year ended 31st March, 2024, five meetings of the Committee were held.

(C) COMMITTEE OF THE BOARD OF DIRECTORS

The Committee of the Board of Directors presently consists of Mr. Vyomesh Kapasi, Mr. Shahrukh Todiwala and Mr. Amit Mohan. The quorum comprises of three members. The Committee looks into the routine transactions of Company which inter alia include authorizing opening, operation and closure of bank accounts and demat accounts of the Company, authorizing officials of the Company to execute various documents, agreements, issuing power of attorney for representing the Company in various Courts of Law and before various Statutory Authorities and borrowing of money within the delegated limit.

During the financial year ended 31st March, 2024, one meeting of the Committee was held.

(D) RISK MANAGEMENT COMMITTEE

The Risk Management Committee of Board (Tier II level) was re-constituted during the year and presently consists of Mr. Prakash Apte (Chairman), Mr. Chandrashekhar Sathe, Ms. Akila Urankar, Mr. Ravi Venkatraman and Mr. Vyomesh Kapasi. The quorum comprises of any three members. It reviews the adequacy of the risk management process and up-gradation thereof.

During the financial year ended 31st March, 2024, four meetings of the Tier II level Committee were held.

(E) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee was re-constituted during the year and presently consists of Ms. Akila Urankar (Chairperson), Mr. Vyomesh Kapasi, Mr. Ravi Venkatraman and Mr. Prakash Apte, with any three members forming the quorum.

During the financial year ended 31st March, 2024, three meetings of the CSR Committee were held.

(F) CREDIT COMMITTEE

A. The Credit Committee (Board) (CCB) was re-constituted during the year and presently consists of Mr. Chandrashekhar Sathe (Chairman), Mr. Ravi Venkatraman, Mr. Vyomesh Kapasi and Mr. Amit Mohan, with any three members forming the quorum. The Committee scrutinizes and approves credit proposals above such limit as specified in the Approval Authorities from time to time.

During the financial year ended 31st March, 2024, nine meetings of the Committee were held.

B. The Credit Committee (CC-I) was re-constituted during the year and presently consists of Mr. Vyomesh Kapasi, Mr. Shahrukh Todiwala, Mr. Jason Dalgado and Mr. Suraj Rajappan, with any three members forming the quorum. The Committee critically analyse the financials of the various loan proposals placed before it for their approval.

During the financial year ended 31st March 2024, twenty seven meetings of the Committee were held.

(G) STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee was constituted towards the end of the year and presently consists of Mr. Chandrashekhar Sathe (Chairman), Mr. Vyomesh Kapasi, Ms. Akila Urankar and Mr. Shahrukh Todiwala. The quorum comprises of any three members. The Committee specifically looks into various aspects of interest of shareholders, debenture holders and other security holders.

During the financial year ended 31st March, 2024, 1 meeting of the Committee was held.

(H) IT STRATEGY COMMITTEE

IT Strategy Committee was re-constituted during the year and presently consists of Mr. Nihar Rao (Chairman), Mr. Chandrashekhar Sathe, Mr. Vyomesh Kapasi and Ms. Akila Urankar. The quorum comprises of any three members. The Committee reviews the IT strategy of the Company and other matters related to IT governance.

During the financial year ended 31st March, 2024, two meetings of the Committee were held.

REPORT ON CORPORATE GOVERNANCE

The report on Corporate Governance for FY 2023-24 containing certain disclosures, is annexed to this Report as Annexure III

AUDITORS

In terms of Section 139 of the Companies Act, 2013 and also in terms of the circular dated April 27, 2021 issued by the Reserve Bank of India (RBI), the Company's Joint Statutory Auditors M M Nissim & Co LLP (Firm Registration No: 107122W/W100672) and Mukund M. Chitale & Co. (Firm Registration No: 106655W) were appointed as Joint statutory auditors of the Company by the shareholders at the Annual General Meeting which was held on 10th August 2021 from the conclusion of the Twenty Fifth Annual General Meeting until the conclusion of the Twenty Eighth Annual General Meeting.

Mukund M Chitale & Co and M M Nissim & Co LLP are ineligible to continue as Joint Statutory Auditors as per the RBI Circular dated April 27, 2021 (Ref. No.DoS.CO.ARG/ SEC.01/08.91.001/2021-22). One such condition of the said circular is that an audit firm, subject to its fulfilling the prescribed eligibility



norms, will be allowed to continue as the statutory auditor for a particular NBFC for a period of three years and thereafter the said firm would not be eligible for reappointment in the same entity for a period of at least six years.

Accordingly, in terms of the circular dated April 27, 2021 issued by the Reserve Bank of India (RBI) relating to guidelines for appointment of statutory auditors of Non-Banking Finance Companies ('NBFCs') and also in terms of Section 139 of the Companies Act, 2013, M/s. Singhi & Co., Chartered Accountants (Firm Registration no. 302049E); and M/s. Borkar & Muzumdar, Chartered Accountants (Firm Registration no. 101569W), are proposed to be appointed as Joint Statutory Auditors for a period of 3 years commencing from the conclusion of the Twenty Eighth Annual General Meeting until the conclusion of the Thirty First Annual General Meeting, in place of Messrs. Mukund M Chitale & Co and M M Nissim & Co LLP, Chartered Accountants.

M/s. Singhi & Co., Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as Joint statutory Auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014, and also confirmed with regard to the prescribed eligibility norms in terms of Reserve Bank of India's circular No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated 27th April, 2021.

M/s. Borkar & Muzumdar, Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as Joint statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014, and also confirmed with regard to the prescribed eligibility norms in terms of Reserve Bank of India's circular No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated 27th April, 2021.

The Audit Committee and the Board of Directors recommend the appointment of M/s. Singhi & Co., Chartered Accountants (Firm Registration no. 302049E); and M/s. Borkar & Muzumdar, Chartered Accountants (Firm Registration no. 101569W), as Joint statutory auditors of the Company from the conclusion of the Twenty Eighth Annual General Meeting until the conclusion of the Thirty First Annual General Meeting, to the shareholders. You are requested to appoint them and fix their remuneration.

INTERNAL FINANCIAL CONTROLS

The Board of Directors confirms that your Company has laid down set of standards, processes and structure which enables to implement Internal Financial controls across the organization with reference to Financial Statements and that such controls are adequate and are operating effectively. During the year under review, no material or serious observation has been observed for inefficiency or inadequacy of such controls.

COST RECORDS AND COST AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of sub-section (1) of section 148 of the Companies Act, 2013, are not applicable for the business activities carried out by the Company.

RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business.

Pursuant to Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no transactions to be reported under Section 188(1) of the Companies Act, 2013, in form AOC-2.

All Related Party Transactions are placed before the Audit Committee for its review and approval on a quarterly basis. An omnibus approval of the Audit Committee is obtained for the Related Party Transactions which are repetitive in nature.

All Related Party Transactions as required under Indian Accounting Standard Ind AS 24 are reported in Notes to Accounts under Note no.37 of the financial statements of your Company.

The Company's Policy on dealing with Related Party Transactions is available on the Company's website www.primeloans.kotak.com.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to Section 186 of the Companies Act, 2013 read with Rule 11 of Companies (Meetings of Board and its Powers) Rules, 2014, the Company being a Non-Banking Financial Company registered with Reserve Bank of India, nothing contained in section 186 is applicable, except subsection(1) of that section.

WHISTLE BLOWER POLICY & VIGIL MECHANISM

Your Company has also put in place the 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 wrongdoing or violation of any Indian law.

The Whistle Blower Policy is also put up on the Company's website www.primeloans.kotak.com.

CORPORATE SOCIAL RESPONSIBILITY

In accordance with the provisions of Section 135 of the Companies Act, 2013 ("the Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, Kotak Mahindra Prime Limited ("Company") has constituted a Board Corporate Social Responsibility (CSR) Committee. The CSR Committee was re-constituted during the year and presently consists of the following:

- 1) Ms. Akila Urankar, Chairperson
- 2) Mr. Vyomesh Kapasi
- 3) Mr. Ravi Venkataraman
- 4) Mr. Prakash Apte

Your Company has undertaken socially impactful CSR Projects for welfare and sustainable development of population at large, in accordance with the guidelines and robust mechanism led out in the CSR Policy. Your Company has collaborated with implementing agencies across to implement projects in the CSR focus areas defined under its CSR Policy viz. Education & Livelihood and Healthcare.

Your Company's CSR Policy is available on the Company's website: <https://www.primeloans.kotak.com/policies.htm>

Your Company's CSR Projects and CSR Project Expenditure for FY 2023-24 are compliant with the CSR mandate as specified under section 134, section 135 read with Schedule VII of the Companies Act, along with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time and in line with Government of India's notifications issued from time-to-time.

The 2% of Average net profit of the Company for 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 ₹ 21.70 crore. After setting-off ₹ 0.43 crore from the excess CSR spent of the previous financial year, the total CSR obligation of the Company for FY 2023-24 is ₹ 21.27 crore.

For the period 1st April, 2023 to 31st March, 2024 the Company's spend on CSR Projects is ₹ 19.17 crore, amount spent on Administrative Overheads is ₹ 0.33 crore and the amount spent on Impact assessment is ₹ 0.09 crore. In addition, an amount of ₹ 2.15 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 Prime Limited Unspent CSR Account FY 2023-24 in April 2024. Your Company is committed to utilise this amount within the stipulated period of three years i.e. from 1st April, 2024 to 31st March, 2027, towards completion of the Ongoing CSR Projects which were initiated in FY 2023-24 and continue to be under implementation as on 31st March, 2024.

Together with the CSR Project spend, Impact Assessment and Administrative Overheads and amount transferred to Unspent CSR account, the total CSR Expenditure for FY 2023-24 is ₹ 21.74 crore which is an excess of ₹ 0.48 crore over the total CSR obligation for FY2023-24. The excess CSR spend of ₹ 0.48 crore for FY 2023-24 is being carried forward to succeeding financial years and would be available for set-off in those financial years. The details are more particularly described in section on Annual Report on CSR activities for FY 2023-24.

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

(₹ 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 upto 31 st March, 2024	Balance as on 31 st March, 2024
Kotak Mahindra Prime Limited Unspent CSR account FY 2020-21	FY 2020-21	5.19	5.19	Nil
Kotak Mahindra Prime Limited Unspent CSR account FY 2021-22	FY 2021-22	6.15	5.64	0.51
Kotak Mahindra Prime Limited Unspent CSR account FY 2022-23	FY 2022-23	6.02	5.65	0.37

Your Company is 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.

A brief outline of the CSR Policy, the composition of the CSR Committee, CSR Project Spends during the year under review, has been provided in detail in the Annual Report on CSR activities annexed to this report.

RISK MANAGEMENT POLICY

Your Company manages risk, based on Risk Management framework, governance structure and policies which lays down guidelines in identifying, assessing and managing risks.



Further, to facilitate better enterprise wide risk management, a Risk management committee (RMC) has been constituted. The RMC meetings are conducted on quarterly basis and is responsible for review of risk management practices covering credit risk, operations risk, liquidity risk, market risk and other risks including capital adequacy with a view to align the same to the risk strategy & risk appetite of the Company.

Your Company has qualified Credit officer's at all major locations who appraise and approve retail finance proposals (car, two-wheeler and LAP) that are generated at branches and representative offices. Credit officers have pre-approved approval authorities for each location, beyond which the proposal is forwarded to higher authority and to senior management for necessary approval. With a view to provide superior customer decision experience to preferred set of customer profiles, certain pre-approved credit approval programs are also implemented by specialized central credit teams.

Your Company uses various tools like field investigations, credit score card, CIBIL score, asset tenure matrix to ensure high quality portfolio. All Retail proposals are scanned by Risk Containment Unit to verify the authenticity of the documents and customers.

Your Company's Dealer finance & Other business division's credit management are centralized and follow robust risk management policies for their evaluation. These credit proposals are approved at Senior levels as per Board approved authorities including credit committees, due to the nature and complexities of facilities offered. The Company follows stringent monitoring mechanism for the disbursed facilities which results in early detection of potential stress accounts and thus ensuring early action for resolution of such accounts.

Your Company manages and controls credit risk by setting limits and monitors the concentration of risk and also monitors the market value of the collaterals available on regular basis.

Your Company maintains stringent policies and procedures to ensure controls over various functions of Head office & Branches. There are periodic independent reviews and monitoring of operating controls as defined in the Company's operating manual.

SECRETARIAL AUDITOR

Pursuant to Section 204 of the Companies Act, 2013, your Company has appointed M/s. Rupal D. Jhaveri, Company Secretaries, a firm of Practising Company Secretaries, as its Secretarial Auditor. The Secretarial Audit Report for the financial year ended 31st March, 2024 is annexed to this Report.

SECRETARIAL STANDARDS

Your Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013 for the FY 2023-24.

ANNUAL RETURN

Pursuant to section 134(3)(a) and section 92(3) of the Companies Act, 2013 read with rule 12(1) of the Companies (Management and Administration) rules, 2014, the annual return of the Company as on 31st March, 2024 is placed on the Company's website viz. Url: <https://www.primeloans.kotak.com/policies.htm>.

EMPLOYEES

The employee strength of your Company was 2,378 as of 31st March 2024.

Eight employees employed throughout the year and One employee employed for part of the year were in receipt of remuneration of ₹ 102 lakh or more per annum.

As required by the Sexual Harrasment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated a Policy on Sexual Harrasment of Women at Workplace (Prevention, Prohibition & Redressal). Following is a summary of sexual harassment complaints received and disposed off during the year 2023-24:

- No. of complaints received: 1
- No. of complaints disposed off: 1

Your Company has 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.

In accordance with the provisions of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees are set out in the annexure to the Directors' Report. In terms of the Proviso to Section 136(1) of the Companies Act, 2013, the Directors' Report is being sent excluding the aforesaid annexure. The annexure is available for inspection at the Registered Office of your Company during the business hours on working days.

DEPOSITS

The Company did not accept any deposits from the public during the year. Also, there are no deposits due and outstanding as on 31st March 2024.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The provisions pertaining to the Conservation of Energy and Technology Absorption are not applicable to your Company.

During the year, the Company had foreign exchange inflow of ₹ Nil (Previous Year: ₹ Nil) while the outgo of foreign exchange was ₹ 10.06 lakh (Previous Year: ₹ 192.42 lakh).

DETAILS OF APPLICATION MADE OR PROCEEDING PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016:

There were no applications made or any proceedings pending in the name of the company under the Insolvency and Bankruptcy Code, 2016 during the year in respect of your Company.

DETAILS OF DIFFERENCE BETWEEN VALUATION AMOUNT OF ONE TIME SETTLEMENT AND VALUATION WHILE AVAILING LOAN FROM BANKS AND FINANCIAL INSTITUTIONS

During the year under review, there has been no one-time settlement of loans taken from Banks and Financial Institutions.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, based on the representations received from the management, confirm in pursuance of Section 134(5) of the Companies Act, 2013 that:

- i) the Company has, in the preparation of the annual accounts, followed the applicable accounting standards along with proper explanations relating to material departures, if any;
- ii) the Directors have 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 the financial year ended 31st March 2024;
- iii) the Directors have taken proper and sufficient care 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 have prepared the annual accounts on a going concern basis;
- v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ANNEXURES

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

- I. Secretarial Audit Report pursuant to Section 204 of the Companies Act, 2013 (Annexure I)
- II. Annual Report on CSR Activities for the Financial year 2023-24 (Annexure II)
- III. Report on Corporate Governance for the Financial year 2023-24 (Annexure III)
- IV. Code of Conduct declaration (Annexure IV)

ACKNOWLEDGEMENTS

Your Directors would like to place on record their gratitude for the valuable guidance and support received from the Government and Regulatory agencies. The Directors thank the shareholders, dealers and their staff for the strong support that they have continued to extend to your Company. The Board also takes this opportunity to place on record its appreciation of the outstanding performance and dedication of your Company's employees at all levels, without whose commitment, the achievement of results as indicated above could not have been possible. The Board also acknowledges the faith reposed in the Company by the Company's lending institutions.

For and on behalf of the Board of Directors

Uday Kotak
Chairman

Place: Mumbai
Date: 24th June, 2024



Form No. MR-3 - Secretarial Audit Report

For the Financial Year ended 31st March, 2024 [Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
 The Members,
KOTAK MAHINDRA PRIME LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kotak Mahindra Prime Limited ("the Company")**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

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

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

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye- Laws framed there under;
4. Foreign Exchange Management Act, 1999 ("FEMA") and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, overseas Direct Investment and External Commercial Borrowings (**Not applicable to the Company during the period under review**);
5. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("**SEBI**") 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 period under review**);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (**Not Applicable during the period under review**);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (**Not Applicable during the period under review**);
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (**Not Applicable during the period under review**);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not Applicable during the period under review**);
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
 - (j) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (**Not Applicable during the period under review**);
6. Other Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:
 - (a) All the Rules, Regulations, Directions, Guidelines and Circulars applicable to Non-Banking Financial Companies under the RBI Act, 1934.
 - (b) Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016;

- (c) Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023;
 - (d) Prevention of Money Laundering Act, 2002 and the rules made thereunder;
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;
- (2) The Listing Agreement entered into by the Company with BSE Limited with respect to Non-Convertible Debentures issued by the Company read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 constituted with balance of Executive Directors, Non-Executive Directors and Independent Directors as per Companies Act, 2013. 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 for the meetings conducted at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

I further report that during the audit period: the Company had following events which had a bearing on the Company's affairs in pursuance of the referred laws, rules, regulations, guidelines, standards etc:

- 1. The Company issued 6,00,130 listed, secured, redeemable Non-Convertible Debentures of face value of ₹ 1,00,000/- each or ₹ 10,00,000 each, aggregating to ₹ 7858,00,00,000/- (at face value) in multiples tranches by way of private placement during the period under review;
- 2. Mr. Prakash Apte has been appointed as an Independent Director w.e.f 1st January, 2024;
- 3. Mr. Tekumalla Nihar Ramana Rao has been appointed as an Independent Director w.e.f 12th March, 2024.

Place: Mumbai

Date: 18th June, 2024

Rupal D. Jhaveri
Company Secretary in Practice
Membership No.: F5441
C. P. No.: 4225
UDIN: F005441F000585121
Peer Review No.: 1139/2021

*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 PRIME 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 our 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 our 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.

Place: Mumbai

Date: 18th June, 2024

Rupal D. Jhaveri

Company Secretary in Practice

Membership No.: F5441

C. P. No.: 4225

UDIN: F005441F000585121

Peer Review No.: 1139/2021

Annual Report on CSR activities

of Kotak Mahindra Prime Limited for the Financial Year 2023-24

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

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

Kotak Prime 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). Kotak Prime's CSR policy sets out its vision, mission, governance, and CSR focus areas to fulfill its inclusive growth agenda in India.

While ensuring that its CSR Policy, projects and programmes are compliant with the CSR mandate as specified under section 134, section 135 read with schedule VII of the Companies Act, 2013 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, Kotak Prime also endeavours to align its CSR projects and programmes with government initiated social development programmes and interventions and last but not the least, United Nation's Sustainable Development Goals (SDGs).

2. COMPOSITION OF CSR COMMITTEE:

Sl. No.	Name of Director	Designation Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Akila Urankar	Independent Director, Chairperson of the Committee	3	3
2	Mr. Vyomesh Kapasi	Managing Director	3	3
3	Mr. Ravi Venkataraman	Independent Director	3	3
4	Mr. Prakash Apte*	Independent Director	1	1
5	Mr. Chandra Shekhar Rajan**	Independent Director	2	2

*Inducted as a member of the Committee w.e.f January 17, 2024

** Resigned as a Director with effect from 1st January 2024

- Web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company. <https://www.primeloans.kotak.com/policies.htm>
- Provide 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 for the following Corporate Social Responsibility Projects initiated by the Company across FY2020-21 and FY 2021-22 which were eligible for impact assessment was conducted in FY 2023-24. The executive summary of the impact assessment reports pertaining to the CSR Projects for which Impact assessment was conducted and completed is given below in the table. The entire set of Impact assessment reports are uploaded on KMPL's website at the following link <https://www.primeloans.kotak.com/policies.htm>

Sl. No	Implementing organisation	CSR Project Unique ID	Executive Summary of the Impact Assessment reports
1	Wockhardt Foundation	07	In FY 2020-21, FY2021-22 and FY2022-23, KMPL's healthcare project, implemented by the Wockhardt Foundation, supported two and four Mobile Medical Units (MMUs) in Rajkot (Gujarat) and four Mobile Medical Units (MMUs) in Surat (Gujarat) each, serving rural and semi-urban population. Based on the impact assessment study conducted by SGS India Pvt. Ltd.: <ul style="list-style-type: none"> • 97% Respondents acknowledged the need of Mobile Medical Unit • 82% Respondents confirmed weekly mobile unit visit to their area • 79% Respondents confirmed reduced health care related expenditure
2	Wockhardt Foundation	KMPL202122001	In FY2021-22, KMPL's healthcare project, executed by the Wockhardt Foundation, supported 12 Mobile Medical Units (MMUs) across Ahmedabad (Gujarat) and Jalandhar (Punjab), catering to the rural and semi-urban population. According to an impact assessment study conducted by SGS India Pvt. Ltd.: <ul style="list-style-type: none"> • 94% Respondents acknowledged the need of Mobile Medical Unit • 88% Respondents confirmed weekly mobile unit visit to their area • 89% Respondents confirmed reduced health care related expenditure



Sl. No	Implementing organisation	CSR Project Unique ID	Executive Summary of the Impact Assessment reports
3	Pratham Education Foundation	KMPL202122002	In FY2021-22 and FY2022-23, KMPL's Education & Livelihood project, executed by the Pratham Education Foundation, empowered youth from economically disadvantaged backgrounds by providing them with essential skills for entry-level positions in 4-wheeler and 2-wheeler Automotive industry. According to an impact assessment study conducted by Samhita Social Ventures; <ul style="list-style-type: none"> 63% of participants were gainfully employed after the training as opposed to 32% prior to it. 76% of the respondents felt that the skills provided by the training gave them more options in the job market 60% of the respondents secured a job through the project's placement process
4	Muktangan Education Trust	KMPL202122004	In FY2021-22 and FY2022-23, KMPL's Education & Livelihood project, executed by the Muktangan Education Trust, worked to enhance teacher capacities and provide high-quality English medium education. According to an impact assessment study conducted by EveryULB Pvt. Ltd: <ul style="list-style-type: none"> 80% of the student teachers participated in the Career-Ready Program and there was a significant shift towards child-friendly teaching methods 81% of students' transition into meaningful career opportunities

5. (a) Average net profit of the company as per as per sub-section (5) of section 135. - ₹ **1,084.81 crore**
- (b) Two percent of average net profit of the company as per sub-section (5) of section 135- ₹ **21.70 crore**
- (c) Surplus arising out of the CSR projects, programmes, or activities of the previous financial years – **Not applicable**
- (d) Amount required to be set off for the financial year, if any – ₹ **0.43 crore**
- (e) Total CSR obligation for the financial year [(b) + (c) – (d)] - ₹ **21.27 crore**
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) – ₹ **19.17 crore**
- (b) Amount spent in Administrative Overheads – ₹ **0.33 crore**
- (c) Amount spent on Impact Assessment, if applicable - ₹ **0.09 crore**
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)] – ₹ **19.59 crore**
- (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ crore)	Amount Unspent (₹ 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
19.59	2.15	April 24,2024	N.A	N.A	N.A

* includes administrative overhead cost of ₹ 0.33 crore and impact assessment expenditure of ₹ 0.09 crore

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

Sl. No.	Particular	Amount (₹ crore)
(i)	Two percent of average net profit of the company as per section 135(5) of the Act	21.70
(ii)	Total amount spent for the Financial Year	21.74*
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.04
(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)]	0.48**

*Includes unspent amount transferred to unspent CSR account, administrative overheads and impact assessment cost

** Including excess spend of ₹ 0.43 crore available from previous years.

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 section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹ crore)
					Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2020-21	5.19	1.09	1.09	NIL	NIL	NIL	NIL
2.	2021-22	6.15	2.14	1.63	NIL	NIL	NIL	0.51
3.	2022-23	6.02	N.A	5.65	NIL	NIL	NIL	0.37

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

Yes No 5*

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

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 :

S. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (in ₹ crore)	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1	2	3	4	5	6		
1	(i) Laptops (ii) Furniture (iii) Office Equipment (iv) Car (practice vehicle)	226024, 410221, 509216, 414005, 753011, 452001, 416003, 492015, 445402, 52001	14-08-2023, 07-09-2023, 29-11-2023, 26-10-2023, 21-12-2023, 30-03-2024, 28-02-2024, 31-03-2024, 10-03-2024, 29-03-2024, 07-02-2024, 07-03-2024, 12-02-2024, 10-02-2024, 22-02-2024	0.14	CSR00000258	Pratham Education Foundation	4 th Floor, YB Chavan Centre, Nariman Point, Mumbai-400021
2	(i) 6 Force Ambulance Vehicles (Model - Force Delivery Van-3350) including fabrication (ii) Laptops and Tablets (iii) Furniture, fixtures & office equipment (iv) Medical Equipment	121004	28-10-2023, 16-11-2023, 06-12-2023 26-12-2023, 29-12-23 29-12-2023, 30-12-2023, 05-01-2024, 25-01-2024, 20-12-2023, 12-01-2024, 05-02-2024, 28-03-2024, 15-01-2024, 17-01-2024, 18-12-2023, 01-02-2024, 31-01-2024 30-3-24	1.15 0.06 0.09 0.03	CSR000000991	Impact Guru Foundation	Office No- F1, 1 st floor, Malhan One, Building no -1, sunlight Colony 2, Ashram, New Delhi -110014.
Total				1.32			
3	Medical equipment laptops, office furniture	560016, 560056, 144201,	23-12-2023, 26-12-2023, 19-01-2024, 15-01-2024	0.07	CSR00001634	Smile Foundation	161 B/4, 3 rd floor, Gulmohar House, Yusuf Sarai Community Centre, New Delhi -110049
4	Laptops	110001	30-3-24	0.02	CSR00000728	SaveLIFE Foundation	D-10, First Floor, Nizamuddin East, New Delhi - 110013
5	(i) 15 Force Ambulance Vehicles (Model - Force Delivery Van-3350) including fabrication * (ii) Vehicle interior customization & medical equipment	121004	17-02-2024, 31-03-2024, 08-03-2024,	6.17	CSR000000991	Impact Guru Foundation	Office No- F1, 1 st floor, Malhan One, Building no -1, sunlight Colony 2, Ashram, New Delhi -110014.
Grand Total				7.72			

* Impact Guru Foundation has procured the ambulances as part of an ongoing CSR project. They are currently undergoing interior customisation and are being fitted with medical equipment. These ambulances will be transferred to Government hospitals in FY2024-25.



- B. Capital assets have been created or acquired through Unspent Corporate Social Responsibility amount of previous financial years spent in the Financial Year**
- (i) Capital assets created/ acquired from Unspent Corporate Social responsibility spent of financial year 2022-23: Nil
 - (i) Capital assets created/ acquired from Unspent Corporate Social responsibility spent of financial year 2021-22: Nil
 - (iii) Capital assets created/ acquired from Unspent Corporate Social responsibility spent of financial year 2020-21: Nil
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**

Managing Director

Chairperson – Corporate Social Responsibility Committee

Report on Corporate Governance

for the FY 2023-24

A) COMPOSITION OF THE BOARD

Sl No.	Name of Director	Director Since	Capacity (i.e. Executive/ Non-Executive/Chairman/ Promoter Nominee/ Independent)	DIN	Number of Board meetings		No. of other Directorships	Remuneration ₹			No. of shares held in and convertible instruments held in the Company
					Held	Attended		Salary and other compensation	Sitting fee	Commission	
1.	Mr. Uday Kotak	13 Dec 1996	Chairperson, Non-Executive-Non Independent Director	00007467	13	12	7	-	7,20,000	-	-
2.	Mr. Vyomesh Kapasi	09 Dec 2016	Executive Director, Managing Director	07665329	13	13	-	3,30,17,379	-	-	-
3.	Mr. Chandrashekhar Sathe	30 Mar 2015	Non-Executive - Independent Director	00017605	13	11	5	-	21,65,000	12,50,000	-
4.	Ms. Akila Urankar	01 Apr 2018	Non-Executive - Independent Director	00226541	13	12	1	-	21,20,000	12,50,000	-
5.	Mr. Ravi Venkatraman	04 Aug 2021	Non-Executive - Independent Director	00307328	13	13	8	-	24,55,000	12,50,000	-
6.	Mr. Shahrukh Todiwala	06 Sep 2021	Executive Director, Whole-Time Director	09291062	13	11	-	2,53,13,413	-	-	-
7.	Mr. Amit Mohan	06 Sep 2021	Non-Executive – Non Independent Director	09294638	13	13	-	-	-	-	-
8.	Mr. Prakash Apte	1 Jan 2024	Non-Executive - Independent Director	00196106	3	3	5	-	3,05,000	-	-
9.	Mr. Nihar Rao	12 Mar 2024	Non-Executive - Independent Director	07721724	-	-	-	-	40,000	-	-

DETAILS OF CHANGE IN COMPOSITION OF THE BOARD DURING THE CURRENT AND PREVIOUS FINANCIAL YEAR.

Sl. No.	Name of Director	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective date
1.	Vyomesh Kapasi	Executive Director, Managing Director	Re-Appointment	9 th December 2022
2.	Chandra Shekhar Rajan	Non-Executive - Independent Director	Appointment, regularized at EGM held on 10 th March 2023	14 th February 2023
3.	Devarajan Kannan	Non-Executive – Non Independent Director	Resigned	31 st March 2023
4.	Akila Urankar	Non-Executive - Independent Director	Appointment, regularized at EGM held on 10 th March 2023	1 st April 2023 for a period of five years
5.	Chandra Shekhar Rajan	Non-Executive – Independent Director	Resigned	1 st January 2024
6.	Prakash Apte	Non-Executive – Independent Director	Appointed, regularized at EGM held on 19 th March 2024	1 st January 2024
7.	Nihar Rao	Non-Executive – Independent Director	Appointed, regularized at EGM held on 19 th March 2024	12 th March 2024



1) Committees of the Board and their composition

- i. The names of the committees of the Board: Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, Risk Management Committee of Board, Credit Committee of Board, Committee of Board and IT Strategy Committee.
- ii. The following details of the committees of the Board:

AUDIT COMMITTEE:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held	Attended	
1.	Mr. Ravi Venkatraman	4 th Aug 2021	Chairman, Independent	11	11	-
2.	Mr. Chandrashekhar Sathe	30 th March 2015	Independent	11	11	-
3.	Ms. Akila Urankar	20 th January 2021	Independent	11	11	-
4.	Mr. Amit Mohan	31 st March 2023	Non-Executive	11	11	-

NOMINATION AND REMUNERATION COMMITTEE:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held	Attended	
1.	Mr. Chandrashekhar Sathe	30 th March 2015	Chairman, Independent	5	5	-
2.	Mr. Ravi Venkatraman	20 th Oct 2022	Independent	5	5	-
3.	Ms. Akila Urankar	15 th June 2021	Independent	5	5	-
4.	Mr. Uday Kotak	17 th April 2023	Non-Executive	5	5	-

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held	Attended	
1.	Ms. Akila Urankar	16 th July 2018	Chairperson, Independent	3	3	-
2.	Mr. Vyomesh Kapasi	9 th December 2016	Executive	3	3	-
3.	Mr. Ravi Venkatraman	20 th Oct 2022	Independent	3	3	-
4.	Mr. Prakash Apte	17 th January 2024	Independent	1	1	-
5.	Mr. Chandra Shekhar Rajan*	31 st March 2023	Independent	2	2	-

*Resigned as a Director with effect from 1st January 2024.

STAKEHOLDERS RELATIONSHIP COMMITTEE:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held	Attended	
1.	Mr. Chandrashekhar Sathe	16 th March 2023	Chairman, Independent	1	1	-
2.	Ms. Akila Urankar	16 th March 2023	Independent	1	1	-
3.	Mr. Vyomesh Kapasi	16 th March 2023	Executive	1	1	-
4.	Mr. Shahrukh Todiwala	16 th March 2023	Executive	1	1	-

RISK MANAGEMENT COMMITTEE OF BOARD:

S I. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held	Attended	
1.	Mr. Prakash Apte	17 th January 2024	Chairman, Independent	1	1	-
2.	Mr. Chandrashekhar Sathe	30 th March 2015	Independent	4	4	-
3.	Mr. Ravi Venkatraman	23 rd September 2022	Independent	4	4	-
4.	Ms. Akila Urankar	31 st March 2021	Independent	4	2	-
5.	Mr. Vyomesh Kapasi	31 st March 2023	Executive	4	4	-
6.	Mr. Chandra Shehar Rajan*	19 th October 2023	Independent	1	1	-

*Resigned as a Director with effect from 1st January 2024.

CREDIT COMMITTEE OF BOARD:

S I. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held	Attended	
1.	Mr. Chandrashekhar Sathe	19 th October 2023	Chairman, Independent	5	5	-
2.	Mr. Vyomesh Kapasi	31 st March 2021	Executive	9	8	-
3.	Mr. Ravi Venkatraman	31 st March 2023	Independent	9	9	-
4.	Mr. Amit Mohan	6 th September 2021	Non-Executive	9	9	-

COMMITTEE OF BOARD:

S I. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held	Attended	
1.	Mr. Vyomesh Kapasi	9 th December 2016	Executive	1	1	-
2.	Mr. Amit Mohan	6 th September 2021	Non-Executive	1	1	-
3.	Mr. Shahrukh Todiwala	31 st March 2023	Executive	1	1	-

IT STRATEGY COMMITTEE OF BOARD:

S I. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held	Attended	
1.	Mr. Nihar Rao*	12 th March 2024	Chairman, Independent	1	1	-
2.	Mr. Vyomesh Kapasi	26 th September 2017	Executive	2	2	-
3.	Mr. Chandrashekhar Sathe	26 th September 2017	Independent	2	2	-
4.	Ms. Akila Urankar	23 rd September 2022	Independent	2	2	-
5.	Mr. Ravi Rao**	20 th October 2022	Senior Vice President	1	1	-

*Mr. Nihar Rao joined w.e.f 12th March 2024, in place of Mr. Ravi Rao.

**Mr. Ravi Rao is not a member of the Committee w.e.f 12th March 2024

**2) General Body Meetings:**

The date, place and special resolutions passed at the General Body meetings:

Sl. No.	Type of Meeting (Annual/ Extra-Ordinary)	Date and Place	Special Resolutions passed
1.	Extra-Ordinary	28 th April 2023 and Held at the Registered Office	Issuance of Debentures
2.	Extra-Ordinary	19 th March 2024 and held at the Registered office address	<ol style="list-style-type: none"> 1. Appointment of Mr. Prakash Apte (DIN: 00196106) as an Independent Director of the company for a period of five years, with effect from 1st January 2024 up to 31st December 2028 (both days inclusive) 2. Appointment of Mr. Nihar Rao (DIN: 07721724) as an Independent Director of the company for a period of five years, with effect from 12th March 2024 up to 11th March 2029 (both days inclusive)

3) Details of non-compliance with requirements of Companies Act, 2013:

The Company has complied to the requirements of Companies Act, 2013.

4) Details of penalties and structures:

SEBI LODR Regulations	Quarter/FY	Submission Status	Due Date	Submission Date	Date upto which fine is calculated	Delay in days	Fine	GST	Total fine
NIL									

B) BREACH OF COVENANT

All instances of breach of covenant of loan availed or debt securities issued - NIL

Code of Conduct

The Company has adopted the Code of Conduct which are applicable to the Board of Directors and Senior Management Personnel, respectively.

The Code of Conduct have been posted on the website of the Company viz, url: <https://www.primeloans.kotak.com/viewDocument.htm?id=5673>

In accordance with Schedule V (D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Directors and the Senior Management Personnel of the Company have affirmed compliance to the Code of Conduct during their association with the company during the financial year 2023-24.

For and on behalf of the Board of Directors

Vyomesh Kapasi
Managing Director

Place: Mumbai

Date: 24th June, 2024



Independent Auditors' Report

To the Members of Kotak Mahindra Prime Limited Report on the Audit of the Financial Statements

OPINION

- We have audited the accompanying financial statements of Kotak Mahindra Prime Limited ('the Company'), which comprise the balance sheet as at 31 March 2024, the statement of profit and loss (including other comprehensive income), the statement of cash flow and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of the material accounting policies and other explanatory information (hereinafter referred to as the 'financial statements').
- In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, the relevant circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

- We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

- Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
- We have determined the matter described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
<p>Impairment of loans and advances to customers (Refer Note 2(G) As at 31 March 2024, the Company has reported gross loan assets of ₹ 35,14,675.20 lakh against which an impairment loss of ₹ 71,871.38 lakh has been recorded. The Company recognized impairment provision for loan assets based on the Expected Credit Loss ("ECL") approach laid down under 'Ind AS 109 – Financial Instruments'.</p> <p>The estimation of ECL on financial instruments involves significant management judgement and estimates and the use of different modelling techniques and assumptions which could have a material impact on reported profits. Significant management judgement and assumptions involved in measuring ECL is required with respect to:</p> <ul style="list-style-type: none"> ➤ ensuring completeness and accuracy of the data used to create assumption in the model. ➤ determining the criteria for a significant increase in credit risk. ➤ factoring in future economic assumptions techniques used to determine probability of default, loss given default and exposure at default. <p>These parameters are derived from the Company's internally developed statistical models and other historical data.</p>	<p>for material accounting policies and Note 41.4 for credit risk disclosures)</p> <p>Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through procedures that included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions; • Considered the Company's accounting policies for estimation of expected credit loss on loans and assessing compliance with the policies in terms of Ind AS 109; • Understanding management's systems and controls implemented in relation to impairment allowance process. • Tested the design and operating effectiveness of key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording, monitoring of the impairment loss recognized and staging of assets. • Evaluated the appropriateness of the Company's determination of Significant Increase in Credit Risk ("SICR") in accordance with the applicable accounting standard and the basis for classification of various exposures into various stages. Further, assessed the critical assumptions and input data used in the estimation of expected credit loss models for specific key credit risk parameters, such as the movement logic between stages, Exposure at default (EAD), probability of default (PD) or loss given default (LGD);

Key Audit Matter	How our audit addressed the key audit matter
<p>Disclosure</p> <p>The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the ECL results. Further, disclosures to be provided as per RBI circulars with regards to non-performing assets and provisions is also an area of focus.</p> <p>Considering the significance of the above matter to the overall financial statements and extent of management's estimates and judgements involved, it required significant auditor attention. Accordingly, we have identified this as a key audit matter.</p>	<ul style="list-style-type: none"> • Evaluated the reports and working for the methodology used in the computation of Through The Cycle PD, Point In Time PD and LGD, among others; • Performed test of details over calculation of ECL, in relation to the completeness and accuracy of the data; • Obtained written representations from management and those charged with governance on whether they believe significant assumptions used in calculation of expected credit losses are reasonable; • Assessed the appropriateness and adequacy of the related presentation and disclosures of Note 41.3.5 "Financial risk management" disclosed in the accompanying financial statements in accordance with the applicable accounting standards and related RBI circulars and Resolution Framework.

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

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Board's Report, (including annexures thereto), but does not include the financial statements and our auditor's report thereon. The Board's Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Board's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

BOARD OF DIRECTOR'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

- The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act, RBI Guidelines and other accounting principles generally accepted in India. 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- In preparing the financial statements, the Board of Directors are 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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
- The Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

- Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
- As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the 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 system with reference to the financial statements in place and the operating effectiveness of such controls based on our audit;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- Conclude on the appropriateness of Board of Directors and 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

- Obtain sufficient appropriate audit evidence regarding the financial statements of the Company to express an opinion on the financial statements.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

15. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
 - 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, except for the matters stated in paragraph 17(g)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ('the Rules');
 - c) the financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;
 - f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in note 34 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2024;

- ii. the Company, as detailed in note 19 to the financial statements, has made provision as at 31 March 2024, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
- iv.
 - a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 45.7 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the 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 ('the 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 note 45.8 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the 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 performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act, to the extent it applies to payment of dividend; As stated in note 21(h) to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable; and
- vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account that have a feature of recording audit trail (edit log) facility other than as mentioned below and which have operated throughout the year for all relevant transactions recorded in the software. Based on our procedures performed we did not notice any instance of the audit trail feature being tampered with. The Company has used a cloud-based accounting software for maintaining some of its books of account and in the absence of service organization controls report for the period from 1st April, 2023, to 31st March, 2024 with respect to audit trail feature at the database level, we are unable to comment whether audit trail feature in the aforesaid software at the database level was enabled and operated throughout the year or not. Refer note 45.13 to the financial statements.

For M M Nissim & Co LLP
Chartered Accountants
Firm Registration No: 107122W/
W100672

Sanjay Khemani
Partner
Membership No. 044577
UDIN: 24044577BKFGSH4829

Mumbai
May 23, 2024

For Mukund M. Chitale & Co
Chartered Accountants
Firm Registration No: 106655W

Saurabh Chitale
Partner
Membership No. 111383
UDIN: 24111383BKBGPP8424

Mumbai
May 23, 2024



Annexure I

referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of Kotak Mahindra Prime Limited on the financial statements for the year ended 31 March 2024

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- i. a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets including quantitative details and situation of these assets.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- b. As per information and explanation given to us and as verified by us, the property, plant and equipment and right of use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- c. The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- d. The Company has not revalued its Property, Plant and Equipment and Right of Use assets or intangible assets during the year.
- e. According to information and explanations given to us and as verified by us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- ii. a. The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.
- b. According to the information and explanations given to us, during the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.
- iii. a. The Company is a Non-Banking Finance Company and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(a) of the Order is not applicable to the Company.
- b. The investments made and terms and conditions of the grant of all loans are, prima facie, not prejudicial to the Company's interest. The Company has not granted advances in the nature of loans and has not provided any guarantee and also not given security to any party.
- c. The Company is a Non-Banking Financial Company ('NBFC'), registered under provisions of the Reserve Bank of India Act, 1934 and rules made thereunder and is regulated by various regulations, circulars and norms issued by the Reserve Bank of India including Master Circular – Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances. In respect of loans granted by the Company, we report that the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular except as disclosed in note 41.4.3 (iv) of the financial statement and reproduced below:

Outstanding as on 31 March 2024 for overdue loans

Particulars – Days past due	Total amount outstanding (₹ in lakh)	No. of Cases
1-30 days	4,43,799.85	28,483
31-60 days	44,306.72	17,802
61-90 days	15,757.43	8,680
More than 90 days	68,286.21	28,903
Total	5,72,150.21	83,868

- d. According to the information and explanations given to us, the total amount which is overdue for more than 90 days in respect of loans given in course of the business of the Company aggregates to ₹ 68,286.21 lakh as at 31 March 2024 in respect of 28,903 number of loans. Further, reasonable steps as per the policies and procedures of the Company have been taken for recovery of such principal and interest amounts overdue.
- e. The Company is a Non-Banking Finance Company, and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(e) of the Order is not applicable to the Company.
- f. The Company has not granted loans or advances in the nature of loans which are repayable on demand or without specifying any terms or period of repayment.

- iv. In our opinion, and according to the information and explanations given to us, the Company has not granted any loan or provided any guarantee or security in connection with any loan taken by party covered under Section 185 of the Act. Further, the Company has complied with the provisions of Section 186 of the Act in respect of the loans or investments made, or guarantees or security provided by it, to the extent applicable.
- v. The provisions of the sections 73 to 76 and any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended), are not applicable to the Company being a non-banking financial company registered with the Reserve Bank of India ('the RBI'), and also the Company has not accepted any deposits from public or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act. Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- vi. The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- vii.
 - a. In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have been regularly deposited with the appropriate authorities by the Company. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹ in lakh)	Amount paid under Protest (₹ in lakh)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income tax	232.56	-	AY 2013-14	Commissioner of Income tax (Appeals)
Income tax Act, 1961	Income tax	591.61	-	AY 2018-19	Commissioner of Income tax (Appeals)
Income tax Act, 1961	Income tax	166.54	-	AY 2020-21	Commissioner of Income tax (Appeals)
Karnataka Value Added Tax, 2002	Value Added Tax	2.93	-	AY 2009-10	High Court
Karnataka Value Added Tax, 2002	Value Added Tax	19.22	-	AY 2010-11	High Court
Karnataka Value Added Tax, 2002	Value Added Tax	264.62	-	AY 2011-12	High Court
Karnataka Value Added Tax, 2002	Value Added Tax	22.07	-	AY 2012-13	High Court
Delhi Goods & Service Tax	Goods & Service Tax	895.70	42.65	FY 2017-18	Appellate Authority

- viii. According to the information and explanations given to us and as verified by us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of account.
- ix.
 - a. According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
 - b. According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a wilful defaulter by any bank or financial institution or government or any government authority.
 - c. In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained, though idle/surplus funds which were not required for immediate utilisation have been invested in readily realisable liquid investments.
 - d. In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.
 - e. The Company did not have any subsidiary or associate or joint venture and hence reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
 - f. The Company did not have any subsidiary or associate or joint venture and hence reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- 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, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
 - b. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures. Accordingly, Clause 3(x)(b) of the Order is not applicable to the Company.



- xi. a. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company and no material fraud on the Company except for misappropriation of assets of the Company by its employees or by the customers of the Company identified by the management during the year, involving amounts aggregating to ₹ 204.45 lakh as mentioned in Note 46.25 of the accompanying financial statements has been noticed or reported during the year.
- b. To the best of our knowledge, and according to the information and explanations provided to us, during the year and upto the date of this report, no report under section 143 (12) of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c. According to the information and explanations given to us including the representation made to us by the management of the Company, we have taken into consideration the whistle blower complaints received by the Company during the year and provided to us, when performing our audit.
- xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- xiv. a. In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.
- b. We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date of our audit report.
- xv. According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- xvi. a. The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.
- b. During the year, the Company has not conducted any Non-Banking Financial activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India (RBI) as per the Reserve Bank of India Act, 1934. Further, Company has not conducted any Housing Finance activities and is not required to obtain CoR for such activities from the RBI.
- c. According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- d. Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) has no CICs which are registered with the Reserve Bank of India.
- xvii. The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is 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. There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- b. In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the financial year, to a Special account within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act.

For M M Nissim & Co LLP

Chartered Accountants
Firm Registration No: 107122W/W100672

Sanjay Khemani

Partner
Membership No. 044577
UDIN: 24044577BKFGSH4829

Mumbai
May 23, 2024

For Mukund M. Chitale & Co

Chartered Accountants
Firm Registration No: 106655W

Saurabh Chitale

Partner
Membership No. 111383
UDIN: 24111383BKBGPP8424

Mumbai
May 23, 2024

Annexure II

to the Independent Auditor's Report of even date to the members of Kotak Mahindra Prime Limited on the financial statements for the year ended 31 March 2024

INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ('THE ACT')

(Referred to in paragraph 17(f) under 'Report on Other Legal and Regulatory Requirements section of our report of even date)

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

BOARD OF DIRECTOR'S RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

2. The Company's Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the 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 financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to 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, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For M M Nissim & Co LLP

Chartered Accountants

Firm Registration No: 107122W/W100672

Sanjay Khemani

Partner

Membership No. 044577

UDIN: 24044577BKFGSH4829

Mumbai

May 23, 2024

For Mukund M. Chitale & Co

Chartered Accountants

Firm Registration No: 106655W

Saurabh Chitale

Partner

Membership No. 111383

UDIN: 24111383BKBGPP8424

Mumbai

May 23, 2024

CIN: U67200MH1996PLC097730

Balance Sheet

as at 31st March, 2024

(₹ in lakh)

Particulars	Note No.	As at	
		31 st March, 2024	31 st March, 2023
ASSETS			
Financial assets			
Cash and cash equivalents	4	13,030.30	40,198.16
Bank Balance other than cash and cash equivalents	5	1,091.91	90.83
Derivative financial instruments	12	-	982.52
Loans	6	3,442,803.82	2,674,138.24
Investments	7	666,577.20	659,447.39
Other financial assets	8	3,330.15	1,752.95
Total financial assets		4,126,833.38	3,376,610.09
Non-financial assets			
Current tax assets (Net)	32	6,671.08	11,163.28
Deferred Tax Assets (Net)	32	14,339.38	11,985.54
Investment Property	9 (b)	1,963.06	2,008.39
Property, plant and equipment	9	4,742.98	3,257.17
Capital work-in-progress	9 (a)	-	220.83
Intangibles under development	10 (a)	-	35.37
Other intangible assets	10 (b)	207.05	253.68
Other non-financial assets	11	5,942.61	5,241.58
Total non-financial assets		33,866.16	34,165.84
Total Assets		4,160,699.54	3,410,775.93
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
Trade payables	13		
(i) total outstanding dues of micro enterprises and small enterprises		6.87	160.05
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		45,741.29	52,452.77
Debt securities	14	1,765,287.58	1,517,434.56
Borrowings (other than debt securities)	15	1,060,794.70	732,116.06
Deposits	16	239.01	177.49
Subordinated Liabilities	17	10,261.48	14,376.15
Other financial liabilities	18	6,997.19	8,060.13
Total financial liabilities		2,889,328.12	2,324,777.21
Non-Financial liabilities			
Current tax liabilities (Net)	32	6,824.20	4,292.08
Provisions	19	728.10	872.72
Deferred tax liabilities (Net)	32	71,824.27	50,947.34
Other non-financial liabilities	20	9,820.11	5,962.69
Total non-financial liabilities		89,196.68	62,074.83
EQUITY			
Equity share capital	21	349.52	349.52
Other equity	22	1,181,825.22	1,023,574.37
Total equity		1,182,174.74	1,023,923.89
Total Liabilities and Equity		4,160,699.54	3,410,775.93
Summary of material accounting policies	1-3		
The above balance sheet should be read in conjunction with the accompanying notes.			

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 Prime Limited

For M M Nissim & Co LLP

Chartered Accountants
Firm Registration Number: 107122W / W100672

For Mukund M. Chitale & Co

Chartered Accountants
Firm Registration Number: 106655W

Sanjay Khemani

Partner
Membership No: 044577

Saurabh Chitale

Partner
Membership No: 111383

Vyomesh Kapasi

Managing Director & CEO
DIN: 07665329

Shahrukh Todiwala

Director
DIN: 09291062

Jason Dalgado

Chief Financial Officer

Kiran Tangudu

Company Secretary
M No: F7932

23rd May, 2024
Place: Mumbai

23rd May, 2024
Place: Mumbai

23rd May, 2024
Place: Mumbai



CIN: U67200MH1996PLC097730

Statement of Profit and Loss

for the year ended 31st March, 2024

(₹ in lakh)

Sr. No.	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 on financial instruments measured at:	23		
	- Amortised Cost		337,517.30	256,406.17
	- Fair Value Through Other Comprehensive Income		22,937.64	24,607.15
(ii)	Dividend income		1,620.00	1,215.00
(iii)	Rental income		665.67	599.14
(iv)	Fees and commission income	24	20,758.31	14,479.74
(v)	Net gain on financial instruments measured at fair value	25	6,342.22	2,457.12
(I)	Total revenue from operations		389,841.14	299,764.32
(II)	Other income	26	2,208.36	(317.85)
(III)	Total income (I+II)		392,049.50	299,446.47
	EXPENSES			
(i)	Finance costs	27	177,091.49	118,723.88
(ii)	Net loss on fair value changes			
(iii)	Impairment on financial instruments	28	25,433.13	(4,671.72)
(iv)	Employee benefits expense	29	37,885.94	29,226.78
(v)	Depreciation, amortization and impairment	30	1,793.60	1,269.55
(vi)	Other expenses	31	33,933.33	27,822.05
(IV)	Total expenses		276,137.49	172,370.54
(V)	Profit before tax (III-IV)		115,912.01	127,075.93
(VI)	Tax expense			
(i)	Current tax	32 (a)	32,060.00	28,678.00
(ii)	Deferred tax	32 (d)	(2,917.86)	3,644.85
	Total tax expense (i+ii)		29,142.14	32,322.85
(VII)	Profit for the year (V-VI)		86,769.87	94,753.08
	Other comprehensive income			
(A)	(i) Items that will not be reclassified to profit or loss			
	- Changes in revaluation surplus			
	- Remeasurements of the defined benefit plans		114.91	(62.80)
	- Equity Instruments through Other Comprehensive Income		92,393.61	9,499.82
			92,508.52	9,437.02
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	- Remeasurements of the defined benefit plans		(28.92)	15.81
	- Equity Instruments through Other Comprehensive Income		(20,876.94)	(1,957.20)
	Total (A)		71,602.66	7,495.63
(B)	(i) Items that will be reclassified to profit or loss			
	- Debt Instruments through Other Comprehensive Income		2,126.10	(1,880.37)
			2,126.10	(1,880.37)
	(ii) Income tax relating to items that will be reclassified to profit or loss			
	- Debt Instruments through Other Comprehensive Income		(535.10)	473.25
	Total (B)		1,591.00	(1,407.12)
(VIII)	Total other comprehensive income		73,193.66	6,088.51
(IX)	Total comprehensive income for the year (VII+VIII)		159,963.53	100,841.59
(X)	Earnings per equity share-Basic & Diluted (₹)	33	2,482.54	2,710.95
	Summary of material accounting policies	1-3		

The above statement of profit and loss should be read in conjunction with accompanying notes.

This is the statement of profit and loss referred to in our report of even date

For M M Nissim & Co LLP

Chartered Accountants

Firm Registration Number: 107122W / W100672

Sanjay Khemani

Partner

Membership No: 044577

23rd May, 2024

Place: Mumbai

For Mukund M. Chitale & Co

Chartered Accountants

Firm Registration Number: 106655W

Saurabh Chitale

Partner

Membership No: 111383

23rd May, 2024

Place: Mumbai

For and on behalf of the Board of Directors of

Kotak Mahindra Prime Limited

Vyomesh Kapasi

Managing Director & CEO

DIN: 07665329

23rd May, 2024

Place: Mumbai

Shahrukh Todiwala

Director

DIN: 09291062

Jason Dalgado

Chief Financial Officer

Kiran Tangudu

Company Secretary

M No: F7932

CIN: U67200MH1996PLC097730

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		
Profit before tax	115,912.01	127,075.93
Adjustments to reconcile profit before tax to net cash generated from / (used in) operating activities		
Depreciation and amortization expense	1,793.60	1,269.55
Interest income	(360,454.94)	(281,013.32)
Interest expenses	176,902.26	118,723.88
Interest income on income tax refund	(0.04)	-
Net unrealised gain on financial instruments measured at fair value through profit or loss	(1,570.50)	(1,296.54)
Net realised gain on sale of Investments	(4,746.84)	(1,299.86)
Mark To Market Loss on Derivative	73.62	3,274.35
Dividend Income on Investments	(1,620.00)	(1,215.00)
Interest on lease liability	189.22	-
Unwinding of discount on security deposit	18.45	-
Net gain on derecognition of property, plant and equipment	(36.40)	(32.13)
Intangible assets under development written off	35.36	-
Provision for contingencies no longer required	(403.29)	(407.00)
Provision for contingencies	(8.22)	-
Share based payments	34.91	27.81
Reversal of provision for diminution in value of investments	-	-
Provision for employee benefits - gratuity	463.56	240.66
Provision for employee benefits - compensated absences	25.19	(395.47)
Impairment on financial instruments	25,433.13	(4,789.67)
Loans and advances, trade and other receivable written off	-	11,923.77
Unclaimed sundry creditors written back	-	248.44
	(47,958.92)	(27,664.60)
Cash inflow from interest received	344,848.25	271,832.42
Dividend on investments	1,620.00	1,215.00
Cash outflow towards interest paid	(150,088.22)	(109,725.04)
Operating profit before working capital changes	196,380.03	163,322.38
Working capital adjustments		
(Increase) / Decrease in loans	(780,471.80)	(342,911.80)
(Increase) / Decrease in bank balance other than cash and cash equivalent	(1,001.27)	-
(Increase) / Decrease in investments	0.00	165.02
(Increase) / decrease in other financial assets	(1,615.70)	(435.57)
Increase / (Decrease) in other non-financial assets	(701.04)	(1,569.96)
Increase / (decrease) in trade payables	(6,864.66)	(5,276.27)
Increase / (Decrease) in other financial liabilities	(1,801.26)	7,425.73
Increase / (Decrease) in deposits	61.52	-
Increase / (Decrease) in provisions	(106.94)	622.57
Increase / (Decrease) in other non-financial liabilities	3,857.42	36.95
	(788,643.73)	(341,943.33)
Cash generated from / (used in) operations	(640,222.61)	(206,285.55)
Income taxes paid (net)	(25,035.64)	(37,955.36)
Net cash generated from / (used in) operating activities	(665,258.25)	(244,240.91)
Cash flow from investing activities		
Purchase of property, plant and equipment	(1,447.56)	(1,916.58)
Proceeds from sale of property, plant and equipment	37.13	182.45
Purchase of investments	(434,644.08)	(364,821.27)
Net Purchase & Sale of MF/IPO	(15.78)	1,299.86
Proceeds from sale of investments	530,323.60	345,134.81
Net cash generated from / (used in) investing activities	94,253.31	(20,120.73)
Cash flow from financing activities		
Proceeds from issue of debentures	786,001.86	644,777.65
Redemption of debentures	(565,258.27)	(353,813.37)
Bank loans availed	571,200.00	909,142.55
Repayment of bank loans	(226,657.39)	(776,534.00)
Other borrowings availed	(15,872.49)	865,123.65
Repayment of other borrowings	(4,000.00)	(1,000,500.00)
Increase / (decrease) in derivative financial instruments	908.91	(4,032.16)
Dividend paid (including dividend distribution tax) on equity shares	(1,747.60)	(1,747.60)
Payment of lease liability	(748.99)	(529.21)
Net cash (used in) / generated from financing activities	543,826.03	281,887.51



CIN: U67200MH1996PLC097730

Statement of Cash Flows

for the year ended 31st March, 2024 (Continued)

(₹ in lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Net (decrease) / increase in cash and cash equivalents	(27,178.91)	17,525.87
Cash and cash equivalents at the beginning of the year	40,213.08	22,687.21
Cash and cash equivalents at the end of the year	13,034.17	40,213.07
a. Reconciliation of cash and cash equivalents with the balance sheet		
Cash and cash equivalents as per balance sheet (refer note 4)		
Cash on hand	1,100.05	684.49
Balances with banks in current account	11,711.58	38,532.95
Cheques, drafts on hand	222.54	995.64
	13,034.17	40,213.08
Less: Impairment loss allowance	(3.87)	(14.92)
Cash and cash equivalents as per balance sheet*	13,030.30	40,198.16

* Cash and cash equivalents shown in Balance Sheet is net of ECL provision of ₹ 3.87 lakh as at 31st March, 2024, ₹ 14.92 lakh as at 31st March, 2023.

b. The above Cash flow statement has been prepared under the 'Indirect Method' as set out in Ind AS 7 - 'Cash Flow Statements'.

c. Change in liabilities arising from financing activities

Particulars	As at 1 st April, 2023	Cash flows	Non-cash changes*	As at 31 st March, 2024
Debt securities	1,517,434.56	220,743.59	27,109.43	1,765,287.58
Borrowings (other than debt securities)	732,116.06	328,670.12	8.52	1,060,794.70
Subordinated liabilities	14,376.15	(4,000.00)	(114.68)	10,261.48
Total liabilities from financing activities	2,263,926.77	545,413.71	27,003.28	2,836,343.76

Particulars	As at 1 st April, 2022	Cash flows	Non-cash changes*	As at 31 st March, 2023
Debt securities	1,209,416.48	290,964.28	17,053.79	1,517,434.55
Borrowings (other than debt securities)	729,103.98	1,574.11	1,437.97	732,116.06
Subordinated liabilities	19,557.84	(4,341.91)	(839.78)	14,376.15
Total liabilities from financing activities	1,958,078.30	288,196.48	17,651.98	2,263,926.75

* Non-cash changes includes the effect of recording financial liability at amortized cost, amortization of transaction costs etc.

The above statement of cash flows should be read in conjunction with the accompanying notes.

This is the statement of Cash Flow referred to in our report of even date

For M M Nissim & Co LLP

Chartered Accountants

Firm Registration Number: 107122W / W100672

Sanjay Khemani

Partner

Membership No: 044577

23rd May, 2024

Place: Mumbai

For Mukund M. Chitale & Co

Chartered Accountants

Firm Registration Number: 106655W

Saurabh Chitale

Partner

Membership No: 111383

23rd May, 2024

Place: Mumbai

For and on behalf of the Board of Directors of

Kotak Mahindra Prime Limited

Vyomesh Kapasi

Managing Director & CEO

DIN: 07665329

Jason Dalgado

Chief Financial Officer

23rd May, 2024

Place: Mumbai

Shahrukh Todiwala

Director

DIN: 09291062

Kiran Tangudu

Company Secretary

M No: F7932

CIN: U67200MH1996PLC097730

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 period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance at the end of the period
Equity shares of ₹ 10 each fully paid up					
As at 31st March, 2023	349.52	-	-	-	349.52
As at 31st March, 2024	349.52	-	-	-	349.52

B. OTHER EQUITY

(₹ in lakh)

Particulars	Reserves and Surplus					Debt instruments through OCI	Equity instruments through OCI	Total	
	Special reserve	Securities premium	Capital redemption reserve	General reserve	Capital contribution from parent				Retained earnings
Opening Balance as at 1st April, 2022	141,557.02	53,075.16	100.00	182.54	417.18	551,757.30	186.14	177,121.41	924,396.76
Changes in accounting policies/ prior period errors	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	94,753.08	-	-	94,753.08
Other comprehensive income for the year (net of tax)	-	-	-	-	-	(46.99)	(1,407.12)	7,542.62	6,088.51
Total Comprehensive Income for the year ended 31st March, 2023	141,557.02	53,075.16	100.00	182.54	417.18	646,463.39	(1,220.98)	184,664.03	1,025,238.35
Transfer/utilisations									
Transfer to special reserve u/s 45 IC of the RBI Act, 1934	18,950.61	-	-	-	-	(18,950.61)	-	-	-
Share based payment (refer note 40)	-	-	-	-	83.63	-	-	-	83.63
Dividend on equity shares (refer note 22.2)	-	-	-	-	-	(1,747.60)	-	-	(1,747.60)
Balance as at 31st March, 2023	160,507.63	53,075.16	100.00	182.54	500.81	625,765.18	(1,220.98)	184,664.03	1,023,574.38
Opening Balance as at 1st April, 2023	160,507.63	53,075.16	100.00	182.54	500.81	625,765.18	(1,220.98)	184,664.03	1,023,574.38
Changes in accounting policies/ prior period errors	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	86,769.87	-	-	86,769.87
Other comprehensive income for the year (net of tax)	-	-	-	-	-	85.99	1,591.00	71,516.67	73,193.66
Total Comprehensive Income for the year ended 31st March, 2023	160,507.63	53,075.16	100.00	182.54	500.81	712,621.05	370.02	256,180.70	1,183,537.91
Transfer/utilisations									
Transfer to special reserve u/s 45 IC of the RBI Act, 1934	17,800.01	-	-	-	-	(17,800.01)	-	-	-
Share based payment (refer note 40)	-	-	-	-	34.91	-	-	-	34.91
Dividend on equity shares (refer note 22.2)	-	-	-	-	-	(1,747.60)	-	-	(1,747.60)
Balance as at 31st March, 2024	178,307.64	53,075.16	100.00	182.54	535.72	693,073.44	370.02	256,180.70	1,181,825.22

Nature and purpose of reserves: Refer Note 22.1

The above statement of changes in equity should be read in conjunction with the accompanying notes

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 Prime Limited

For M M Nissim & Co LLP

Chartered Accountants
Firm Registration Number: 107122W / W100672

For Mukund M. Chitale & Co

Chartered Accountants
Firm Registration Number: 106655W

Sanjay Khemani

Partner
Membership No: 044577

Saurabh Chitale

Partner
Membership No: 111383

Vyomesh Kapasi

Managing Director & CEO
DIN: 07665329

Shahrukh Todiwala

Director
DIN: 09291062

Jason Dalgado

Chief Financial Officer

Kiran Tangudu

Company Secretary
M No: F7932

23rd May, 2024
Place: Mumbai

23rd May, 2024
Place: Mumbai

23rd May, 2024
Place: Mumbai



Notes

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

NOTE 1. CORPORATE INFORMATION

Kotak Mahindra Prime Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is registered as a Non-Banking Financial Company with Reserve Bank of India. The Company is primarily engaged in financing of passenger cars and multi-utility vehicles for retail customers and inventory and term funding to car dealers. The Company also provides finance for two wheeler, loan against property, personal loans, corporate loans and developer funding.

NOTE 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. During the year 2023 – 24, the Company has adopted the amendments to Ind AS-1, notified vide MCA notification dated 31st March, 2023, with respect to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'.

A. BASIS OF PREPARATION

(i) Statement of compliance

The financial statements of the company have been prepared in accordance with the Indian Accounting Standards (herein after referred as 'Ind AS') notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015] as amended and other relevant provisions of the Act. Any application guidance/clarification/directions issued by the Reserve Bank of India or other regulators are implemented as and when they are issued/applicable.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. These financial statements were authorized for issue by the Company's Board of Directors on May 23, 2024.

(ii) Basis of Measurement

The financial statements have been prepared on the historical cost basis, except for the following items:

- Certain financial assets and liabilities - Measured at fair value (refer accounting policy regarding financial instruments);
- Defined benefit plans - Plan assets are measured at fair value;
- Share-based payments - Measured at fair value

(iii) Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is the functional currency of the Company. All amounts have been rounded off to the nearest lakh with two decimals, unless otherwise indicated.

B. PROPERTY, PLANT AND EQUIPMENT

i. Recognition and measurement

Property, plant and equipment (PPE) are stated 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 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 recognised in 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.

Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date. Capital work-in-progress is stated at cost, net of impairment loss, if any.

Notes

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

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

iii. Depreciation methods, estimated useful lives and residual value

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

Computers	3 years
Office Equipment	5 years
Furniture and Fixtures	6 years
Vehicles	4 years
Premises	58 years
Leasehold Improvements	Over the period of lease subject to a maximum of 6 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 prospectively.

iv. Derecognition

PPE is derecognised on disposal or when no future economic benefits are expected from its use. Assets retired from active use and held for disposal are generally stated at the lower of their carrying amount & fair value less costs to sell. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognised in statement of profit and loss within other gains/(losses) in the year the asset is derecognised.

C. INTANGIBLE ASSETS

i. Recognition and measurement

Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase/completion is recognized as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

iii. Amortisation

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

Software (including development) expenditure 3 years

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

iv. Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

D. INVESTMENT PROPERTIES

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.



Notes

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

Investment property includes freehold/leasehold land and building. Depreciation on investment property has been provided on pro-rata basis, on the straight-line method as per the useful life of such property. Buildings are depreciated over the period of 58 years considering this period as the useful life for the Company.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

E. FOREIGN CURRENCY

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the gain or loss on fair value changes.

F. FINANCIAL INSTRUMENT

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

The Company classifies its financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through 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.

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held such that it best reflects the way the business is managed and is consistent with information provided to management. The information considered includes:

- the objectives for the portfolio, in particular, management's strategy of focusing on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.
- the risks that affect the performance of the business model, the financial assets held within that business model and how those risks are managed

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

Notes

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

- reset terms
- contingent events that would change the amount and timing of cash flows;
- prepayment and extension terms; and
- features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

Subsequent measurement

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

(i) Amortised cost (AC)

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

- the asset is held within a business model whose objective is to hold assets 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 amortised cost using the effective interest (EIR) method. Amortised 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 statement of profit and loss. The losses if any, arising from impairment are recognised in the statement of profit and loss.

(ii) Fair value through Other Comprehensive Income (FVOCI) – debt investment

A debt investment 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 recognised using the effective interest (EIR) method. The loss allowance is recognized in other comprehensive income and does not reduce the carrying value of the financial asset. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit and loss.

(iii) Fair value through Other Comprehensive Income (FVOCI) – equity investment

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in Other Comprehensive Income. This election is made on an investment-by-investment basis.

After initial measurement, such financial assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

(iv) Fair value through Profit and Loss (FVTPL)

This is a residual category for classification. Any asset which does not meet the criteria for classification as at amortised cost or FVOCI, is classified as FVTPL. Financial assets at FVTPL are measured at fair value, and changes in fair value therein are recognised in the statement of profit and loss.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost except when designated to be measured at FVTPL.

G. 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 amortised cost and FVOCI, such as trade receivables, loans, debentures, preference shares, certificate of deposit, balances and deposits with banks and other financial assets. ECL has not been determined on financial assets measured at FVTPL.



Notes

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

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 amortised cost and FVOCI is 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 includes the observable data such as Days Past Due ('DPD') or default event.

ECL are a probability weighted estimate of credit losses, measured as follows:

- Financial assets that are not credit impaired at the reporting date:

ECL has been estimated by determining the probability of default ('PD'), Exposure at Default ('EAD') and loss given default ('LGD'). PD has been computed using observed history of default and converted into forward looking PD's using suitable macro-economic variable data.

- Financial assets that are credit impaired at the reporting date:

For loans, ECL has been estimated as the difference between the gross carrying amount and the present value of estimated future cash flows.

For financial assets other than loans and investments, 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 recognises a loss allowance based on lifetime ECLs at each reporting date.

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised:

- If the expected restructuring will not result in derecognition of the existing asset, expected cash flows arising from the modified financial asset are included in calculating cash shortfalls from the existing asset; and

- If the expected restructuring will result in derecognition of the existing asset and the recognition of modified asset, the modified asset is considered as a new financial asset. The date of the modification is treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset. The impairment loss allowance is measured at an amount equal to 12 month expected credit losses until there is a significant increase in credit risk. If modified financial asset is credit-impaired at initial recognition, the financial asset is recognized as originated credit impaired asset.

Criteria used for determination of movement from stage 1 (12 month ECL) to stage 2 (lifetime ECL) and stage 3 (Lifetime ECL)

The Company applies a three-stage approach to measure ECL on financial assets measured at amortised cost and FVOCI. The assets migrate through the following three stages based on an assessment of qualitative and quantitative considerations:

- Stage 1: 12 month ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised. Interest income is accrued using the effective interest rate on the gross carrying amount.

- Stage 2: Lifetime ECL (not credit impaired):

The Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Company uses days past due (DPD) information and other qualitative factors to assess deterioration in credit quality of a financial asset.

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised. Interest income is accrued using the effective interest rate on the gross carrying amount.

- Stage 3: Lifetime ECL (credit impaired):

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortized cost (net of loss allowance).

If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the Expected Credit Loss reverts from lifetime ECL to 12-months ECL.

Notes

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

Curing period:

Company does not move loans from higher stage to lower stage immediately after improvement in credit of the borrower and applies curing period for upgradation of three to six months depending on the product.

Method used to compute lifetime ECL:

The Company calculates ECLs based on a probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the present value of cash flows that the entity expects to receive. The Company applies statistical techniques to estimate lifetime ECL.

Manner in which forward looking assumptions has been incorporated in ECL estimates:

The Company considers its historical loss experience and adjusts it for current observable data. In addition, the Company uses reasonable forecasts of future economic conditions including expert judgement to estimate the amount of expected credit losses. The methodology and assumptions including any forecasts of future economic conditions are periodically reviewed and changes, if any, are accounted for prospectively.

H. WRITE-OFFS

Financial assets are written off either partially or in their entirety when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in statement of profit and loss. However, financial assets that are written off may be subject to enforcement activities to comply with the Company's procedures for recovery of amounts due.

I. 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 derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in statement of profit and loss.

A financial liability is derecognised when the obligation in respect of the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in Statement of profit and loss.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value

J. MODIFICATION 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 derecognised and a new financial asset is recognised at fair value.



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

The difference between the carrying amount of the financial assets extinguished and the new financial asset with modified terms is recognised in the statement of profit and loss.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate and recognises the amount arising from adjusting the gross carrying amount as modification gain or loss in the statement of profit and loss. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Financial liabilities

The Company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

K. MEASUREMENT OF FAIR VALUES

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments such as unquoted equity instruments, debentures, preference shares etc.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial 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 categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

L. OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised 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 group or the counterparty.

M. DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are only used for economic hedging purposes and not as a speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at FVTPL.

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit and loss immediately.

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are shown as gains/(losses) on fair value changes.

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Notes

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

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

N. REVENUE RECOGNITION

Interest income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR in case of a financial asset is computed

- a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
- b. By considering all the contractual terms of the financial instrument in estimating the cash flows.
- c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of loss allowance) of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Dividend income

Dividend income is recognised in statement of profit and loss on an accrual basis when the right to receive the dividend is established.

Fees and commission income

Fees and commissions are recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out in Ind AS 115, unless included in the effective interest calculation:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

Fees and commission that are not directly linked to the sourcing of financial assets are recognised in the Statement of Profit and Loss on an accrual basis.

Rental income

Income from operating leases is recognised in the Statement of profit and loss on a straight-line basis over the lease term. In certain lease arrangements, variable rental charges are also recognised over and above minimum commitment charges based on usage pattern and make/model of the asset.



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

O. EMPLOYEE BENEFITS

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as employee benefit obligations in the balance sheet.

(ii) Compensated Absences - Other Long-Term Employee Benefits

The Company accrues the liability for compensated absences based on the actuarial valuation as at the balance sheet date conducted by an independent actuary. The net present value of the Company's obligation is determined based on the projected unit credit method as at the balance sheet date. Remeasurement gains or losses on long term compensated absences are recognised in statement of profit and loss.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

a. Gratuity – Defined Benefit Plan

The Company accounts for the liability for future gratuity benefits based on an actuarial valuation. The Company contributes to a Gratuity Fund administered by trustees and managed by Kotak Mahindra Life Insurance Company Limited, fellow subsidiary.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

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.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

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

b. Provident Fund/Employee State Insurance Scheme - Defined Contribution Plan

The Company's contribution to 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.

(iv) Other Employee Benefits

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

As per the Company policy, employees of the Company are eligible for an award after completion of a specified number of years of service with the Company. The obligation is measured at the Balance Sheet date on the basis of an actuarial valuation using the projected unit credit method. This cost is included in employee benefit expense in the statement of profit and loss.

(v) Employee Share based payment

Equity-settled scheme

Equity-settled share-based payments made by the parent Company to the employees of the Company are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. Fair value determined at the grant date is reduced by payment, if any, made to the parent, is recognised as deemed contribution to equity from parent.

Notes

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

Cash-settled scheme

The cost of cash-settled scheme (stock appreciation rights) is measured initially using fair value method at the grant date taking into account the terms and conditions upon which the instruments were granted. This fair value is amortised on a straight-line basis over the vesting period with recognition of corresponding liability. This liability is re-measured at each Balance Sheet date up to and including the settlement date with changes in fair value recognised in the Statement of Profit and Loss in 'Share based payment to employees' under the head Employee Benefit Expense.

(vi) Bonus

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

P. INCOME TAX

Current and deferred tax is recognised in statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Q. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net 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 financial year, 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. 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.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

R. LEASES

Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises 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 these leases, the Company recognises 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.



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

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:

- 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 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.
- 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.

Company as lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Accounting for Finance leases as a Lessor

Agreements are classified as finance leases, if substantially all the risks and rewards incidental to ownership of the leased asset is transferred to the lessee.

Assets given under finance leases are recognised as a receivable at an amount equal to the net investment in the lease. Finance income is allocated over the lease term on a systematic and rational basis. This income allocation is based on a pattern reflecting a constant periodic return on the net investment in the finance lease.

S. PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that

Notes

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

an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements

T. IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets/cash generating units (CGU) are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's 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.

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

U. SEGMENT REPORTING

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Refer note 46 for segment information presented.

V. CASH AND CASH EQUIVALENTS

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

W. BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in statement of profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

X. 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. The amounts are unsecured and are usually paid within 30 days of recognition. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Y. BORROWING COST

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

Z. CONTRIBUTED 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.

AA. NEW AND AMENDED STANDARDS ADOPTED BY THE COMPANY:

The Company has applied the following amendments for the first time for their annual reporting period commencing 1st April, 2023:

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: The amendments to Ind AS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.



Notes

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

Ind AS 1 – Presentation of Financial Statements: The amendments to Ind AS 1 provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. This amendment does not have any material impact on the Company's financial statements and disclosures.

Ind AS 12 – Income Taxes: The amendments to Ind AS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. This amendment does not have any material impact on the Company's financial statements and disclosures.

AB. NEW STANDARDS/AMENDMENTS NOTIFIED BUT NOT YET EFFECTIVE:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended 31st March, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

NOTE 3. USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving estimates or judgements are:

- (i) Estimation of defined benefit obligations
- (ii) Recognition of deferred tax assets, estimation of current tax expense and current tax payable
- (iii) Estimation of provisions and contingencies
- (iv) Fair value of employee share options
- (v) Fair value of financial instruments including unlisted equity instruments
- (vi) Business model assessment
- (vii) Impairment of financial assets
- (viii) Determination of useful life of Property, Plant and Equipment
- (ix) Determination of useful life of Intangible asset
- (x) Effective interest rate
- (xi) Evaluation of lease, lease term and discount rates.

Notes

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

NOTE 4 CASH AND CASH EQUIVALENTS

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Cash on hand	1,100.05	684.49
Balances with banks in current account	11,711.58	38,532.95
Cheques, drafts on hand	222.54	995.64
	13,034.17	40,213.08
Less: Impairment loss allowance	(3.87)	(14.92)
Total	13,030.30	40,198.16

NOTE 5 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Fixed deposits with banks*	1,092.12	90.85
Less: Impairment loss allowance	(0.21)	(0.02)
TOTAL	1,091.91	90.83

* Includes ₹ 1,063.01 Lakh (March 2023 - ₹ 89.29 Lakh) for deposit under lien

NOTE 6 LOANS

(₹ in lakh)

Particulars	Amortised Cost	At Fair Value			Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	
As at 31st March, 2024					
(A) (i) Loans					
- Vehicle finance	29,20,790.45	-	-	-	29,20,790.45
- Structured loans	57,528.80	-	-	-	57,528.80
- Personal loans	1,43,317.65	-	-	-	1,43,317.65
(ii) Other lending activities *	3,93,038.30	-	-	-	3,93,038.30
Total Gross (A)	35,14,675.20	-	-	-	35,14,675.20
Less: Impairment loss allowance (refer note 41.4)	(71,871.38)	-	-	-	(71,871.38)
Total Net (A)	34,42,803.82	-	-	-	34,42,803.82
(B) (i) Secured by tangible assets	33,64,375.59	-	-	-	33,64,375.59
(ii) Secured by intangible assets	-	-	-	-	-
(iii) Covered by Bank/Government Guarantees	-	-	-	-	-
(iv) Unsecured	1,50,299.61	-	-	-	1,50,299.61
Total Gross (B)	35,14,675.20	-	-	-	35,14,675.20
Less: Impairment loss allowance (refer note 41.4)	(71,871.38)	-	-	-	(71,871.38)
Total Net (B)	34,42,803.82	-	-	-	34,42,803.82
(C) (i) Loans in India	-	-	-	-	-
- Public Sector	-	-	-	-	-
- Others	35,14,675.20	-	-	-	35,14,675.20
(ii) Loans outside India	-	-	-	-	-
Total Gross (C)	35,14,675.20	-	-	-	35,14,675.20
Less: Impairment loss allowance (refer note 41.4)	(71,871.38)	-	-	-	(71,871.38)
Total Net (C)	34,42,803.82	-	-	-	34,42,803.82



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

(₹ in lakh)

Particulars	Amortised Cost	At Fair Value			Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	
As at 31st March, 2023					
(A) (i) Loans					
- Vehicle finance	22,90,007.78	-	-	-	22,90,007.78
- Structured loans	1,54,657.47	-	-	-	1,54,657.47
- Personal loans	94,199.56	-	-	-	94,199.56
(ii) Other lending activities *	1,87,946.68	-	-	-	1,87,946.68
Total Gross (A)	27,26,811.48	-	-	-	27,26,811.48
Less: Impairment loss allowance (refer note 41.4)	(52,673.24)	-	-	-	(52,673.24)
Total Net (A)	26,74,138.24	-	-	-	26,74,138.24
(B) (i) Secured by tangible assets	24,84,879.61	-	-	-	24,84,879.61
(ii) Secured by intangible assets	-	-	-	-	-
(iii) Covered by Bank/Government Guarantees	-	-	-	-	-
(iv) Unsecured	2,41,931.87	-	-	-	2,41,931.87
Total Gross (B)	27,26,811.48	-	-	-	27,26,811.48
Less: Impairment loss allowance (refer note 41.4)	(52,673.24)	-	-	-	(52,673.24)
Total Net (B)	26,74,138.24	-	-	-	26,74,138.24
(C) (i) Loans in India	-	-	-	-	-
- Public Sector	-	-	-	-	-
- Others	27,26,811.48	-	-	-	27,26,811.48
(ii) Loans outside India	-	-	-	-	-
Total Gross (C)	27,26,811.48	-	-	-	27,26,811.48
Less: Impairment loss allowance (refer note 41.4)	(52,673.24)	-	-	-	(52,673.24)
Total Net (C)	26,74,138.24	-	-	-	26,74,138.24

* Includes loans against property, loans to employees and Pass through certificates.

NOTE 7 INVESTMENTS

(₹ in lakh)

Particulars	Amortised Cost	At Fair Value		Sub total	Total
		Through Other Comprehensive Income	Through profit or loss		
As at 31st March, 2024					
(A) Mutual funds	-	-	4,806.36	4,806.36	4,806.36
Government securities & Treasury Bills	-	2,68,109.14	-	2,68,109.14	2,68,109.14
Debentures	25,028.13	-	-	-	25,028.13
Equity instruments*	-	3,37,422.37	-	3,37,422.37	3,37,422.37
Alternate Investment Fund	-	-	31,237.22	31,237.22	31,237.22
Total Gross	25,028.13	6,05,531.51	36,043.58	6,41,575.09	6,66,603.22
(B) (i) Investments outside India	-	-	-	-	-
(ii) Investments in India	25,028.13	6,05,531.51	36,043.58	6,41,575.09	6,66,603.22
Less: Impairment loss allowance (refer note 41.4)	(26.02)	-	-	-	(26.02)
Total Net	25,002.11	6,05,531.51	36,043.58	6,41,575.09	6,66,577.20

Notes

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

(₹ in lakh)

Particulars	Amortised Cost	At Fair Value		Sub total	Total
		Through Other Comprehensive Income	Through profit or loss		
As at 31st March, 2023					
(A) Mutual funds	-	-	-	-	-
Government securities & Treasury Bills	-	1,73,026.07	-	1,73,026.07	1,73,026.07
Debentures	1,84,440.60	22,258.75	19,972.99	42,231.74	2,26,672.34
Equity instruments*	-	2,45,028.77	-	2,45,028.77	2,45,028.77
Alternate Investment Fund	-	-	15,013.83	15,013.83	15,013.83
Total Gross	1,84,440.60	4,40,313.59	34,986.82	4,75,300.41	6,59,741.01
(B) (i) Investments outside India	-	-	-	-	-
(ii) Investments in India	1,84,440.60	4,40,313.59	34,986.82	4,75,300.41	6,59,741.01
Less: Impairment loss allowance (refer note 41.4)	(293.62)	-	-	-	(293.62)
Total Net	1,84,146.98	4,40,313.59	34,986.82	4,75,300.41	6,59,447.39

* Note - Equity shares designated as at fair value through other comprehensive income

(₹ in lakh)

Investment in equity shares	Fair value at 31 st March, 2023	Movement during the year	Fair value at 31 st March, 2024
Phoenix ARC Private Limited	13,471.55	4,991.76	18,463.31
Kotak Mahindra Life Insurance Company Limited	2,31,557.22	87,401.84	3,18,959.06
	2,45,028.77	92,393.60	3,37,422.37

(₹ in lakh)

Investment in equity shares	Fair value at 31 st March, 2022	Movement during the year	Fair value at 31 st March, 2023
Phoenix ARC Private Limited	11,802.44	1,669.10	13,471.55
Kotak Mahindra Life Insurance Company Limited	2,23,726.50	7,830.72	2,31,557.22
	2,35,528.94	9,499.82	2,45,028.77

No strategic investments were disposed off during the year.

NOTE 8 OTHER FINANCIAL ASSETS

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Lease Deposits	291.41	225.99
Other deposits	854.69	941.51
Other receivables	2,205.54	597.05
	3,351.64	1,764.55
Less: Impairment loss allowance (refer note 41.4)	(21.49)	(11.60)
Total	3,330.15	1,752.95



Notes

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

NOTE 9 PROPERTY, PLANT AND EQUIPMENT

(₹ in lakh)

Particulars	Buildings	Furniture and Fixture	Vehicles	Office Equipments	Computers	Leasehold improvements	Right-of-use Assets	Total
Balance as at 1st April, 2022	10.60	25.08	342.18	154.37	836.07	414.51	2,270.02	4,052.83
Additions during the year	-	62.99	160.92	122.53	957.82	227.02	980.74	2,512.02
Disposals during the year	-	12.48	115.45	20.37	175.83	-	17.90	342.03
Balance as on 31st March, 2023	10.60	100.55	618.55	297.27	1,969.72	641.53	3,268.66	6,906.87
Accumulated depreciation as at 1st April, 2022	1.45	19.62	250.50	113.59	400.29	309.79	1,197.23	2,292.47
Depreciation for the year	0.30	14.86	87.78	51.25	398.86	76.50	391.35	1,020.89
Disposals during the year	-	12.51	112.17	19.74	174.01	-	17.90	336.32
Balance as on 31st March, 2023	1.75	46.99	450.45	184.58	973.16	386.30	1,606.48	3,649.70
Net carrying amount as at 31st March, 2023	8.86	53.56	168.10	112.69	996.56	255.24	1,662.18	3,257.17
Balance as at 1st April, 2023	10.60	100.55	618.55	297.27	1,969.72	641.53	3,268.66	6,906.87
Additions during the year	-	93.38	268.41	216.26	410.17	517.82	1,591.73	3,097.77
Disposals during the year	-	(13.24)	(161.11)	(76.21)	(96.72)	(3.99)	(1,007.60)	(1,358.86)
Balance as on 31st March, 2024	10.60	180.69	725.85	437.32	2,283.17	1,155.36	3,852.79	8,645.78
Accumulated depreciation as at 1st April, 2023	1.75	46.99	450.45	184.58	973.16	386.30	1,606.48	3,649.70
Depreciation for the year	0.29	26.76	92.80	68.83	581.37	145.50	623.73	1,539.28
Disposals during the year	-	(13.24)	(161.11)	(72.33)	(90.61)	(3.68)	(945.21)	(1,286.18)
Balance as on 31st March, 2024	2.04	60.51	382.14	181.08	1,463.92	528.12	1,285.00	3,902.80
Net carrying amount as at 31st March, 2024	8.56	120.18	343.71	256.23	819.25	627.24	2,567.79	4,742.98

Impairment loss and reversal of impairment loss

- There is no impairment loss recognised for property, plant and equipment.

At 31st March, 2024, properties with a carrying amount of ₹ 2,175.18 lakh (31st March, 2023: 967.95 lakh) are subject to first charge to debt securities.

NOTE 9 (A) CAPITAL WORK IN PROGRESS

(₹ in lakh)

Particulars	Balance as at 1 st April, 2023	Additions	Deductions	Balance as at 31 st March, 2024
Capital Work-in Progress	220.83	-	(220.83)	-
Total	220.83	-	(220.83)	-

(₹ in lakh)

Particulars	Balance as at 1 st April, 2022	Additions	Deductions	Balance as at 31 st March, 2023
Capital Work-in Progress	144.60	213.12	(136.89)	220.83
Total	144.60	213.12	(136.89)	220.83

Notes

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

NOTE 9 (B) INVESTMENT PROPERTY

(₹ in lakh)

Particulars	Amount
Balance as at 1st April, 2022	2,635.41
Additions during the year	-
Disposals during the year	-
Balance as on 31st March, 2023	2,635.41
Accumulated depreciation as at 1st April, 2022	581.71
Depreciation for the year	45.31
Disposals during the year	-
Balance as on 31st March, 2023	627.02
Net carrying amount as at 31st March, 2023	2,008.39
Balance as at 1st April, 2023	2,635.41
Additions during the year	-
Disposals during the year	-
Balance as on 31st March, 2024	2,635.41
Accumulated depreciation as at 1st April, 2023	627.02
Depreciation for the year	45.33
Disposals during the year	-
Balance as on 31st March, 2024	672.35
Net carrying amount as at 31st March, 2024	1,963.06

Note:

The fair value of the investment property as at 31st March, 2024 is ₹ 7,530.76 lakh (31st March, 2023 is ₹ 7,530.76 lakh)

Information regarding income & expenditure of Investment property

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Rental income derived from investment property	665.67	599.14
Direct operating expenses (including repairs and maintenance) associated with rental income	(29.69)	(29.69)
Profit / (loss) arising from sale of investment property	-	-
Impairment during the year	-	-
Depreciation for the year	(45.33)	(45.31)
Profit / (Loss) arising from investment property before indirect expenses	590.65	524.14

NOTE 10 (A) INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in lakh)

Particulars	Computer Software
Balance as at 1st April, 2022	25.05
Additions during the year	13.57
Deductions during the year	(3.25)
Balance as at 31st March, 2023	35.37
Balance as at 1st April, 2023	35.37
Additions during the year	-
Deductions during the year	(35.37)
Balance as at 31st March, 2024	-



Notes

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

NOTE 10 (B) OTHER INTANGIBLE ASSETS

(₹ in lakh)

Particulars	Computer Software
Balance as at 1st April, 2022	813.44
Additions during the year	154.15
Disposals during the year	-
Balance as on 31st March, 2023	967.59
Accumulated depreciation as at 1st April, 2022	510.56
Depreciation for the year	203.35
Disposals during the year	-
Balance as on 31st March, 2023	713.91
Net carrying amount as at 31st March, 2023	253.68
Balance as at 1st April, 2023	967.59
Additions during the year	162.36
Disposals during the year	-
Balance as on 31st March, 2024	1,129.95
Accumulated depreciation as at 1st April, 2023	713.91
Depreciation for the year	208.99
Disposals during the year	-
Balance as on 31st March, 2024	922.90
Net carrying amount as at 31st March, 2024	207.05

NOTE 11 OTHER NON FINANCIAL ASSETS

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Prepaid expenses	586.47	862.85
Balances with government authorities		
(i) VAT credit receivable	27.29	445.64
(ii) GST input receivable	4,340.08	3,598.21
Advances to suppliers	399.71	-
Advances to employees	318.95	213.03
Gratuity (refer note 39)	134.24	-
Others	135.87	121.85
Total	5,942.61	5,241.58

Notes

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

NOTE 12 DERIVATIVE FINANCIAL INSTRUMENTS

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the Company has elected not to apply hedge accounting requirements.

The company also had embedded option liability in the form of embedded derivative in Nifty linked debentures.

The table below shows the fair values of derivative financial instruments recorded as liabilities together with their notional amounts. The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

(₹ in lakh)

Particulars	Notional Amounts	Fair Value - Assets/ (Liabilities)
As at 31st March, 2024		
Part I		
-Embedded option on market linked debentures	-	-
-Cross Currency Swaps	-	-
Total Derivative financial instruments	-	-
Part II		
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:		
Undesignated derivatives	NA	-
Total Derivative financial instruments	-	-
As at 31st March, 2023		
Part I		
-Embedded option on market linked debentures	NA	929.41
-Cross Currency Swaps	12,500.00	53.11
Total Derivative financial instruments	12,500.00	982.52
Part II		
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:		
Undesignated derivatives	NA	982.52
Total Derivative financial instruments	-	982.52

NOTE 13 PAYABLES

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
(A) Trade payables		
(I) Due to micro and small enterprises (Refer Note ii below)	6.87	160.05
(II) Dues to others		
(i) Payable to dealers towards financing activities	18,793.26	20,734.66
(ii) Other Payables	26,948.03	31,718.11
Total	45,748.16	52,612.82



Notes

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

(I) TRADE PAYABLES AGEING SCHEDULE

As at 31st March, 2024

(₹ in lakh)

Particulars	As at 31 st March 2024						Total
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME *	-	-	6.87	-	-	-	6.87
(ii) Others	9,532.33	-	27,296.76	1,665.56	1,139.43	6,107.32	45,741.29
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	9,532.33	-	27,303.63	1,665.56	1,139.43	6,107.32	45,748.16

As at 31st March, 2023

(₹ in lakh)

Particulars	As at 31 st March 2023						Total
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME *	-	-	160.05	-	-	-	160.05
(ii) Others	9,479.06	-	32,626.99	3,279.52	1,073.34	5,993.86	52,452.77
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	9,479.06	-	32,787.04	3,279.52	1,073.34	5,993.86	52,612.82

* Invoices received from suppliers are considered for the purpose of reporting.

(II) DUES PAYABLE TO MICRO AND SMALL ENTERPRISES UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT 2006:

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year.	6.85	157.41
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond appointed day.	-	-
(iv) The amount of interest due and payable for the year.	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year.	0.02	2.64
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	-	-
Total	6.87	160.05

Notes

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

NOTE 14 DEBT SECURITIES

(₹ in lakh)

Particulars	At Amortised cost	At Fair Value through Profit or Loss	Designated at Fair Value through Profit or Loss	Total
	(1)	(2)	(3)	(4=1+2+3)
As at 31st March, 2024				
Deep discount debentures (Secured)	25,931.07	-	-	25,931.07
Non convertible debentures (Secured)	17,32,628.23	-	-	17,32,628.23
Market linked debentures (Secured)	6,728.28	-	-	6,728.28
Total	17,65,287.58	-	-	17,65,287.58
Debt securities in India	17,65,287.58	-	-	17,65,287.58
Debt securities outside India	-	-	-	-
Total	17,65,287.58	-	-	17,65,287.58
As at 31st March, 2023				
Deep discount debentures (Secured)	1,20,111.93	-	-	1,20,111.93
Non convertible debentures (Secured)	13,86,340.07	-	-	13,86,340.07
Market linked debentures (Secured)	10,982.56	-	-	10,982.56
Total	15,17,434.56	-	-	15,17,434.56
Debt securities in India	15,17,434.56	-	-	15,17,434.56
Debt securities outside India	-	-	-	-
Total	15,17,434.56	-	-	15,17,434.56

Note:

The Debentures are redeemable at par / premium. All debt securities as stated above are secured by way of first and pari-passu hypothecation in favour of Debenture Trustee on the Company's movable assets such as receivables arising out of loan, lease, book debts, current assets and investments (excluding investments made pursuant to regulatory requirement and strategic investments of the Company which are in the nature of equity shares and venture capital units or any receivables therefrom) and / or by way of a first and pari passu mortgage on the Company's immovable property of ₹ 18.07 lakh (at cost) with charge created in favour of Debenture Trustee.

The gross carrying amount of assets (other than immovable property) on which pari-passu charge is created are as follows:-

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
	Loans	34,05,137.57
Investments (excluding strategic investments, Government securities & Treasury Bills)	29,808.46	2,26,672.34
Cash and cash equivalents	13,030.30	40,213.08
Bank balance other than cash and cash equivalents	-	69.58
Other financial assets	3,784.97	2,087.83
Total	34,51,761.30	29,95,854.31



Notes

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

TERMS OF REPAYMENT SCHEDULE OF DEBT SECURITIES:-

(₹ in lakh)

Instrument with repayment terms	Maturity Date	As at 31 st March, 2024			As at 31 st March, 2023		
		Interest Range (%)	Balance Outstanding	Face Value	Interest Range (%)	Balance Outstanding	Face Value
Deep discount debentures							
Repayable at Maturity							
	Apr - 23	-	-	-	5.25	25,428.52	25,500.00
	Nov - 23	-	-	-	5.15	33,890.72	35,000.00
	Jan - 24	-	-	-	5.7 to 5.8	36,702.50	38,500.00
	Jan - 25	7.55 to 7.90	25,931.07	27,500.00	7.55 to 7.90	24,090.19	27,500.00
			25,931.07	27,500.00		1,20,111.93	1,26,500.00
Non convertible debentures							
Fixed Interest Rate; Repayable at Maturity; Issued at par/premium/discount							
Related parties:							
	Jul-23	-	-	-	5.37	25,937.78	25,000.00
	Sep-23	-	-	-	5.50	515.42	500.00
	Oct-23	-	-	-	5.50	30,833.42	30,000.00
	Dec-23	-	-	-	5.00	20,270.99	20,000.00
	Mar-24	-	-	-	6.00	20,055.57	20,000.00
	Jun-24	5.40	15,568.20	15,000.00	5.40	15,286.97	15,000.00
	Sep-24	5.40	20,571.83	20,000.00	5.40	20,569.10	20,000.00
	May-25	7.88	5,340.76	5,000.00	7.88	5,083.41	5,000.00
	Jun-25	8.25	18,690.15	17,500.00			
	Nov-25	7.92	5,147.46	5,000.00			
	Feb-26	7.92	12,609.42	12,500.00	7.92	12,606.19	12,500.00
	May-26	7.97	13,362.87	12,500.00			
	Jul-26	7.84	15,847.36	15,000.00			
	Nov-26	8.09	5,162.52	5,000.00			
			1,12,300.57	1,07,500.00		1,51,158.85	1,48,000.00
Others:							
	May-23	-	-	-	5.25	17,774.46	17,000.00
	Jul-23	-	-	-	5.37	5,187.56	5,000.00
	Aug-23	-	-	-	5.50	51,695.61	50,000.00
	Sep-23	-	-	-	5.50	30,409.75	29,500.00
	Oct-23	-	-	-	5.50	30,782.86	30,000.00
	Nov-23	-	-	-	5.49	51,094.40	50,000.00
	Dec-23	-	-	-	5.00	70,822.48	70,000.00
	Feb-24	-	-	-	5.80	60,348.81	60,000.00
	Mar-24	-	-	-	5.44 to 6.00	60,503.61	60,000.00
	Apr-24	5.66	21,076.96	20,000.00	5.66	21,076.47	20,000.00
	May-24	5.55	20,961.21	20,000.00	5.55	20,959.47	20,000.00
	Jun-24	5.40	41,569.35	40,000.00	5.40	41,062.49	40,000.00
	Jul-24	5.70	26,520.11	25,500.00	5.70	26,517.22	25,500.00

Notes

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

(₹ in lakh)

Instrument with repayment terms	Maturity Date	As at 31 st March, 2024			As at 31 st March, 2023		
		Interest Range (%)	Balance Outstanding	Face Value	Interest Range (%)	Balance Outstanding	Face Value
Sep-24	5.40	33,429.93	32,500.00	5.40	33,427.00	32,500.00	
Oct-24	5.74	78,442.63	76,500.00	5.74	78,434.19	76,500.00	
Nov-24	5.79	31,651.53	31,000.00	5.79	31,646.82	31,000.00	
Dec-24	7.90	61,291.84	60,000.00	7.90	61,278.97	60,000.00	
Feb-25	7.88	42,903.02	42,500.00	7.88	27,765.79	27,500.00	
Mar-25	6.20	50,126.60	50,000.00	6.20	50,125.76	50,000.00	
Apr-25	6.55	47,495.18	45,000.00	6.55	47,119.21	45,000.00	
May-25	7.88	49,133.64	46,000.00	7.88	36,446.67	36,000.00	
Jun-25	8.25	42,577.67	40,000.00	8.25	40,178.92	40,000.00	
Jul-25	7.84	46,410.72	44,000.00	7.72 to 7.84	14,820.08	14,000.00	
Aug-25	7.38	52,097.67	50,000.00	7.38	20,878.36	20,000.00	
Sep-25	7.37	54,332.72	52,500.00	7.37	54,149.62	52,500.00	
Oct-25	7.86 to 8.28	46,210.77	41,400.00	7.86 to 8.28	24,366.53	23,600.00	
Nov-25	7.92	43,709.63	42,500.00	7.92	30,279.54	30,000.00	
Dec-25	7.80	57,277.18	56,000.00	7.80	12,786.12	12,500.00	
Jan-26	7.90	44,759.48	44,000.00	7.90	44,759.15	44,000.00	
Feb-26	7.92	54,831.93	54,500.00	7.92	24,708.14	24,500.00	
Apr-26	8.10	51,884.83	50,000.00	-	-	-	
May-26	7.97	31,561.86	29,500.00	-	-	-	
Jun-26	8.26	53,239.30	50,000.00	8.26	35,142.01	35,000.00	
Jul-26	7.84	31,703.78	30,000.00	-	-	-	
Aug-26	7.48	59,613.19	57,500.00	7.48	18,277.57	17,500.00	
Nov-26	8.09	56,753.03	55,000.00	-	-	-	
Dec-26	8.23	45,396.55	45,000.00	-	-	-	
Jan-27	8.20	66,170.41	65,000.00	-	-	-	
Apr-27	8.23	65,569.60	65,000.00	-	-	-	
Jul-27	7.79	21,090.05	20,000.00	7.79	21,087.57	20,000.00	
Sep-27	7.99	20,855.58	20,000.00	7.99	20,642.29	20,000.00	
Feb-28	8.05	18,630.42	18,500.00	8.05	18,625.72	18,500.00	
Jul-28	7.83	34,241.15	32,500.00	-	-	-	
Dec-28	8.20	66,625.56	65,000.00	-	-	-	
Mar-29	8.05	50,182.57	50,000.00	-	-	-	
		16,20,327.66	15,66,900.00		12,35,181.22	12,07,600.00	
Market linked debentures							
Fixed Interest Rate; Repayable at Maturity;							
Mar-24				5.44	4,995.49	5,000.00	
Jul-25	7.72	6,728.28	6,000.00	7.72	5,987.08	6,000.00	
		6,728.28	6,000.00		10,982.56	11,000.00	



Notes

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

NOTE 15 BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ in lakh)

Particulars	At Amortised cost	At Fair Value through Profit or Loss	Designated at Fair Value through Profit or Loss	Total
	(1)	(2)	(3)	(4=1+2+3)
As at 31st March, 2024				
(a) Term loans (Secured)				
(i) from banks	2,64,481.86	-	-	2,64,481.86
(b) Inter corporate deposits (Unsecured)	-	-	-	-
(c) Cash credit from banks				
- Secured	62,337.93	-	-	62,337.93
- Unsecured	-	-	-	-
(d) Commercial paper (Unsecured)	4,30,160.38	-	-	4,30,160.38
(e) Loans repayable on demand				
(i) from banks (Secured)	1,18,914.53	-	-	1,18,914.53
(ii) from banks (Unsecured)	1,84,900.00	-	-	1,84,900.00
Total	10,60,794.70	-	-	10,60,794.70
Out of above				
Debt securities in India	10,60,794.70	-	-	10,60,794.70
Debt securities outside India	-	-	-	-
Total	10,60,794.70	-	-	10,60,794.70
As at 31st March, 2023				
(a) Term loans (Secured)				
(i) from banks	95,197.63	-	-	95,197.63
(b) Inter corporate deposits (Unsecured)	5,269.18	-	-	5,269.18
(c) Cash credit from banks				
- Secured	17,875.34	-	-	17,875.34
- Unsecured	3,342.53	-	-	3,342.53
(d) Commercial paper (Unsecured)	4,46,031.38	-	-	4,46,031.38
(d) Loans repayable on demand				
(i) from banks (Secured)	1,44,400.00	-	-	1,44,400.00
(ii) from banks (Unsecured)	20,000.00	-	-	20,000.00
Total	7,32,116.06	-	-	7,32,116.06
Out of above				
Debt securities in India	7,32,116.06	-	-	7,32,116.06
Debt securities outside India	-	-	-	-
Total	7,32,116.06	-	-	7,32,116.06

Note:

The term loans from banks are secured by first and pari-passu and non-exclusive charge by way of hypothecation / mortgage of charged assets such as receivables arising out of loans and lease, book debts, current assets and investments (excluding investments made pursuant to regulatory requirement and strategic investments of the Company which are in the nature of equity shares and Alternate Investment fund or any receivables therefrom) and / or mortgage on the Company's immovable property of ₹ 18.07 lakh (at Cost) ranking pari-passu with charge created in favour of Security Trustee.

Notes

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

The gross carrying amount of assets (other than immovable property) on which pari-passu charge is created are as follows:-

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Loans	34,05,137.57	27,26,811.48
Investments (excluding strategic investments, Government securities & Treasury Bills)	29,808.46	2,26,672.34
Cash and cash equivalents	13,030.30	40,213.08
Bank balance other than cash and cash equivalents	-	69.58
Other financial assets	3,784.97	2,087.83
Total	34,51,761.30	29,95,854.31

TERMS OF REPAYMENT SCHEDULE OF BORROWINGS OTHER THEN DEBT SECURITIES:-

(₹ in lakh)

Instrument with repayment terms	Maturity Date	As at 31 st March, 2024			As at 31 st March, 2023		
		Interest Range (%)	Balance Outstanding	Face Value	Interest Range (%)	Balance Outstanding	Face Value
Term loan from banks							
Related parties:							
Fixed Interest Rate; Repayable in a Single Instalment	May-23	-	-	-	5.98	13,484.92	12,500.00
Others							
Floating Interest Rate; Repayable in eight half yearly Instalments	Jan-25	Repo+ Spread	2,504.64	2,500.00	Repo+ Spread	5,008.69	5,000.00
Floating Interest Rate; Repayable in six half yearly Instalments	Mar-25	Repo+ Spread	5,842.29	5,832.00	Repo+ Spread	5,038.02	5,000.00
Floating Interest Rate; Repayable in six half yearly Instalments	Mar-25	Repo+ Spread	-	-	Repo+ Spread	6,666.00	6,666.00
Floating Interest Rate; Repayable in six half yearly Instalments	Mar-26	Repo+ Spread	16,666.00	16,666.00	Repo+ Spread	25,000.00	25,000.00
Floating Interest Rate; Repayable in two equal annual Instalments	Jun-26	Repo+ Spread	8,333.00	8,333.00	Repo+ Spread	10,000.00	10,000.00
Floating Interest Rate; Repayable in six equal half yearly Instalments	Aug-26	Repo+ Spread	12,500.00	12,500.00	Repo+ Spread	15,000.00	15,000.00
Floating Interest Rate; Repayable in six equal half yearly Instalments	Sep-26	Repo+ Spread	25,000.00	25,000.00	-	-	-
Floating Interest Rate; Repayable in two equal annual Instalments	Mar-28	Repo+ Spread	13,333.00	13,333.00	Repo+ Spread	15,000.00	15,000.00
Floating Interest Rate; Repayable in two equal annual Instalments	Sep-28	Repo+ Spread	1,05,011.30	1,05,000.00	-	-	-
Floating Interest Rate; Repayable in two equal annual Instalments	Dec-28	Repo+ Spread	50,285.96	50,000.00	-	-	-
Floating Interest Rate; Repayable in two equal annual Instalments	Mar-29	Repo+ Spread	25,005.67	25,000.00	-	-	-
			2,64,481.86	2,64,164.00		95,197.63	94,166.00
Inter corporate deposits							
Fixed Interest Rate; Repayable at Maturity	Apr-23	-	-	-	5.23	5,269.18	5,000.00
Cash credit from banks							
Fixed Interest Rate; Repayable in a Single Instalment	Mar-23	-	-	-	7.85 - 7.90	17,875.34	17,900.00
	Mar-24	8.65 - 8.75	62,337.93	62,400.00	-	-	-
			62,337.93	62,400.00		17,875.34	17,900.00
Commercial paper							
Repayable at Maturity	Apr-23	-	-	-	5.30 - 7.40	57,465.40	57,500.00
	May-23	-	-	-	6.53 - 7.40	54,696.36	55,000.00
	Jun-23	-	-	-	6.60	31,151.84	31,500.00
	Jul-23	-	-	-	6.77 - 7.19	55,528.40	56,500.00



Notes

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

(₹ in lakh)

Instrument with repayment terms	Maturity Date	As at 31 st March, 2024			As at 31 st March, 2023		
		Interest Range (%)	Balance Outstanding	Face Value	Interest Range (%)	Balance Outstanding	Face Value
	Aug-23	-	-	-	6.8 - 7.95	48,805.39	50,000.00
	Sep-23	-	-	-	7.20	58,077.14	60,000.00
	Oct-23	-	-	-	7.30	24,127.80	25,000.00
	Jan-24	-	-	-	7.85 - 7.90	78,704.10	83,500.00
	Feb-24	-	-	-	7.95 - 8.00	37,474.95	40,000.00
	Apr-24	7.58 - 7.69	74,876.39	75,000.00	-	-	-
	May-24	7.57 - 7.62	77,839.11	78,500.00	-	-	-
	Jun-24	7.60	44,426.98	45,000.00	-	-	-
	Jul-24	7.80 - 8.05	48,905.93	50,000.00	-	-	-
	Aug-24	7.60 - 7.80	88,609.83	91,000.00	-	-	-
	Nov-24	7.95	31,067.88	32,500.00	-	-	-
	Feb-25	8.22	44,427.84	47,500.00	-	-	-
	Mar-25	8.10	20,006.42	21,500.00	-	-	-
			4,30,160.38	4,41,000.00		4,46,031.38	4,59,000.00
Loans repayable on demand from banks (WCDL)							
Fixed Interest Rate; Repayable in a Single Instalment	Jun-23	-	-	-	7.85 - 8.20	14,400.00	14,400.00
Floating Interest Rate; Repayable in a Single Instalment	May-23	-	-	-	3M TBill+Spread	39,990.47	40,000.00
	May-23	-	-	-	2M TBill+Spread	20,000.00	20,000.00
	Jun-23	-	-	-	3M TBill+Spread	20,003.89	20,000.00
	Jul-23	-	-	-	3M TBill+Spread	30,005.64	30,000.00
	Aug-23	-	-	-	Repo+Spread	40,000.00	40,000.00
	May-24	3M TBill+Spread	71,506.19	71,500.00	-	-	-
	Jun-24	3M TBill+Spread	2,400.00	2,400.00	-	-	-
	Jul-24	3M TBill+Spread	40,008.34	40,000.00	-	-	-
	Aug-24	3M TBill+Spread	9,900.00	9,900.00	-	-	-
	Sep-24	3M TBill+Spread	45,000.00	45,000.00	-	-	-
	Oct-24	3M TBill+Spread	20,000.00	20,000.00	-	-	-
	Nov-24	3M TBill+Spread	30,000.00	30,000.00	-	-	-
	Dec-24	3M TBill+Spread	35,000.00	35,000.00	-	-	-
	Jan-25	3M TBill+Spread	50,000.00	50,000.00	-	-	-
			3,03,814.53	3,03,800.00		1,64,400.00	1,64,400.00

Note:

The rates mentioned above are the applicable rates as at year end. These includes floating rate loans which are based on external benchmark.

Notes

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

NOTE 16 DEPOSITS

(₹ in lakh)

Particulars	As at	
	31 st March, 2024	31 st March, 2023
At Amortised Cost		
(i) From others		
Lease deposits	239.01	177.49
Total	239.01	177.49

NOTE 17 SUBORDINATED LIABILITIES

(₹ in lakh)

Particulars	As at	
	31 st March, 2024	31 st March, 2023
At Amortised Cost		
Redeemable Non-Convertible Debentures (Unsecured)	10,261.48	14,376.15
Total	10,261.48	14,376.15
Out of above		
Subordinated liabilities in India	10,261.48	14,376.15
Subordinated liabilities outside India	-	-
Total	10,261.48	14,376.15

TERMS OF REPAYMENT SCHEDULE OF BORROWINGS OTHER THEN DEBT SECURITIES:-

(₹ in lakh)

Instrument with repayment terms	Maturity Date	As at 31 st March, 2024			As at 31 st March, 2023		
		Interest Range (%)	Balance Outstanding	Face Value	Interest Range (%)	Balance Outstanding	Face Value
Redeemable Non-Convertible Debentures							
Fixed Interest Rate; Repayable at Maturity	Jun-23	-	-	-	10.5	4,116.22	4,000.00
Related parties:	Dec-27	8.25	10,261.48	10,000.00	8.25	10,259.93	10,000.00
			10,261.48	10,000.00		14,376.15	14,000.00

NOTE 18 OTHER FINANCIAL LIABILITIES

(₹ in lakh)

Particulars	As at	
	31 st March, 2024	31 st March, 2023
(a) Employee benefits payable	1,536.98	1,063.79
(b) Advances received against loan/lease agreements	2,490.73	5,144.09
(c) Lease Liability	2,779.79	1,852.25
(d) Others	189.69	-
Total	6,997.19	8,060.13



Notes

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

NOTE 19 PROVISIONS

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
(a) Provision for employee benefits		
(i) Gratuity (refer note 39)	-	158.42
(ii) Compensated absences (refer note below)	164.04	138.84
(iii) Stock appreciation rights (SARs) (refer note below)	287.37	292.05
(iv) Long service award (refer note below)	64.09	60.24
(b) Others		
(i) Contingencies (refer note below)	-	-
(ii) Provision against legal cases (refer note below)	150.71	158.94
(iii) Provision against un-utilized limits on loans (refer note below)	61.89	64.23
Total	728.10	872.72

Note :

(a)(ii) Compensated absences

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Opening balance	138.84	531.44
Additional provision recognised during the year	25.20	-
Payment/ Reversals during the year	-	(392.60)
Closing balance	164.04	138.84

(a)(iii) Stock appreciation rights (SARs)

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Opening balance	292.05	146.81
Additional provision recognised during the year	224.19	188.53
Payment/ Reversals during the year	(228.87)	(43.29)
Closing balance	287.37	292.05

(a)(iv) Long Service Awards

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Opening balance	60.24	74.78
Additional provision recognised during the year	13.45	-
Payment/ Reversals during the year	(9.60)	(14.54)
Closing balance	64.09	60.24

Notes

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

(b)(i) Details of provisions for contingencies

The Company has made provision for disputed liabilities relating to customer claims with respect to repossessed vehicles and other matters based on its assessment of the amount it estimates to incur to meet such obligations.

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Opening balance	-	2.00
Additional provision recognised during the year	-	-
Payment/ Reversals during the year	-	(2.00)
Closing balance	-	-

(ii) Provision against legal cases

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Opening balance	158.94	-
Additional provision recognised during the year	4.49	158.94
Payment/ Reversals during the year	(12.72)	-
Closing balance	150.71	158.94

(iii) Provision against un-utilised limits on loans

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Opening balance	64.23	56.94
Additional provision recognised during the year	-	7.29
Payment/ Reversals during the year	(2.34)	-
Closing balance	61.89	64.23

NOTE 20 OTHER NON-FINANCIAL LIABILITIES

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Statutory dues payable	2,846.27	1,619.19
Other liabilities	6,973.84	4,343.50
Total	9,820.11	5,962.69

NOTE 21 EQUITY SHARE CAPITAL

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Authorised		
35,00,000 (31 st March, 2023: 35,00,000) equity shares of ₹10 each with voting rights	350.00	350.00
30,00,000 (31 st March, 2023: 30,00,000) redeemable preference shares of ₹10 each	300.00	300.00
Issued, subscribed and paid up		
34,95,200 (31 st March, 2023: 34,95,200) equity shares of ₹10 each fully paid up with voting rights	349.52	349.52
Total	349.52	349.52



Notes

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

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

(₹ in lakh)

Particulars	No. of shares	Amount
Equity shares of ₹ 10 each, fully paid-up		
As at 1st April, 2022	34,95,200.00	349.52
Add/(less) : Movement during the year	-	-
As at 31st March, 2023	34,95,200.00	349.52
Add/(less) : Movement during the year	-	-
As at 31st March, 2024	34,95,200.00	349.52

B. RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO EQUITY SHARES

- The Equity shares of ₹10 each, fully paid up have equal voting rights.
- 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, 2013.
- Every member of the Company holding equity shares has a right to attend the General Meeting of the Company and has a right to speak and on a show of hands, has one vote if he is present in person and on a poll shall have the right to vote in proportion to his share of the paid-up capital of the Company.
- In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

C. DETAILS OF SHARES HELD BY HOLDING COMPANY AND ITS SUBSIDIARIES

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	No. of shares	% Holding	No. of shares	% Holding
Equity shares with voting rights				
Kotak Mahindra Bank Limited, the holding company	17,82,600.00	51%	17,82,600.00	51%
Kotak Securities Limited, subsidiary of the holding company	17,12,600.00	49%	17,12,600.00	49%
Total	34,95,200.00	100%	34,95,200.00	100%

D. DETAILS OF SHARES HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% SHARES IN THE COMPANY

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	No. of shares	% Holding	No. of shares	% Holding
Equity shares with voting rights				
Kotak Mahindra Bank Limited, the holding company	17,82,600.00	51%	17,82,600.00	51%
Kotak Securities Limited, subsidiary of the holding company	17,12,600.00	49%	17,12,600.00	49%
Total	34,95,200.00	100%	34,95,200.00	100%

Notes

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

E. DETAILS OF SHARES HELD BY THE PROMOTERS:

As at 31st March, 2024

Promoter name	Class of shares	At the end of year		At beginning of year		% change during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
Kotak Mahindra Bank Limited, the holding company	Equity shares with voting rights	17,82,600	51%	17,82,600	51%	-
Kotak Securities Limited, subsidiary of the holding company	Equity shares with voting rights	17,12,600	49%	17,12,600	49%	-

As at 31st March, 2023

Promoter name	Class of shares	At the end of year		At beginning of year		% change during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
Kotak Mahindra Bank Limited, the holding company	Equity shares with voting rights	17,82,600	51%	17,82,600	51%	-
Kotak Securities Limited, subsidiary of the holding company	Equity shares with voting rights	17,12,600	49%	17,12,600	49%	-

f. Shares reserved for issue under options and contracts/commitments for the sale of shares or disinvestment, including the terms and amounts : NIL

g. Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash, Aggregate number and class of shares allotted as fully paid up by way of bonus shares, and aggregate number and class of shares bought back during the period of five years immediately preceding the date as at which the Balance Sheet is prepared: NIL

H. DIVIDEND ON EQUITY SHARES:

(₹ in lakh)

Particulars	For the year 31 st March, 2024	For the year 31 st March, 2023
Dividend paid for the year	1,747.60	1,747.60

The Board of Directors of the Company, at their meeting held on May 23, 2024, have recommended a dividend of ₹ 70 per equity share (previous year ₹50 per equity share of face value of ₹10 per equity share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting.

i. Company's objectives, policies and processes for managing capital - Refer Note 42.

NOTE 22 OTHER EQUITY

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Special Reserve u/s 45 IC of the RBI Act, 1934	1,78,307.64	1,60,507.63
Securities premium	53,075.16	53,075.16
Capital redemption reserve	100.00	100.00
General reserve	182.54	182.54
Capital contribution from parent	535.72	500.81
Retained earnings	6,93,073.44	6,25,765.18
Debt instruments through OCI	370.02	(1,220.98)
Equity instruments through OCI	2,56,180.70	1,84,664.03
Total	11,81,825.22	10,23,574.37



Notes

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

NOTE 22.1 NATURE AND PURPOSE OF RESERVE

Special reserve

This is a Statutory reserve created in accordance with section 45 IC(1) of the RBI Act, 1934 which requires the Company to transfer a specified sum (not less than 20% of its profit after tax) to Reserve Fund based on its net profit as per the profit and loss account.

As per Section 45 IC(2) of the RBI Act, 1934, no appropriation of any sum from this reserve fund shall be made by the NBFC except for the purpose as may be specified by RBI.

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of section 52 of Companies Act, 2013.

Capital redemption reserve

As per Companies Act, 2013, 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.

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.

Capital contribution from parent

Capital contribution from parent represents fair value of the employee stock option plan. These option are issued by parent company "Kotak Mahindra Bank Limited" to the employee of the company.

Retained earnings

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.

Debt instruments through OCI

This comprises changes in the fair value of debt instruments recognised in other comprehensive income and accumulated within equity. The Company transfers amounts from such component of equity to retained earnings when the relevant debt instruments are derecognised.

Equity instruments through OCI

The company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the Equity investments through OCI reserve.

NOTE 22.2 OTHER EQUITY MOVEMENT

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
(i) Special reserve		
Opening balance	1,60,507.63	1,41,557.02
Addition during the year	17,800.01	18,950.61
Closing balance	1,78,307.64	1,60,507.63
(ii) Securities Premium		
Opening balance	53,075.16	53,075.16
Addition during the year	-	-
Closing balance	53,075.16	53,075.16
(iii) Capital redemption reserve		
Opening balance	100.00	100.00
Addition during the year	-	-
Closing balance	100.00	100.00

Notes

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

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
(iv) General reserve		
Opening balance	182.54	182.54
Addition during the year	-	-
Closing balance	182.54	182.54
(v) Capital contribution from parent		
Opening balance	500.81	417.18
Addition during the year	34.91	83.63
Closing balance	535.72	500.81
(vi) Retained earnings *		
Opening balance	6,25,765.18	5,51,757.30
Net profit for the year	86,769.87	94,753.08
Transferred to Special Reserve under section 45IC of Reserve Bank of India, Act 1934	(17,800.01)	(18,950.61)
Less: Dividend (including tax) on equity shares	(1,747.60)	(1,747.60)
Actuarial gain/ (loss) on remeasurement of defined benefit plan	85.99	(46.99)
Closing balance	6,93,073.44	6,25,765.18
(vii) Debt instruments through OCI		
Opening balance	(1,220.98)	186.14
Additions/(deletions) during the year	1,591.00	(1,407.12)
Closing balance	370.02	(1,220.98)
(viii) Equity instruments through OCI		
Opening balance	1,84,664.03	1,77,121.41
Additions/(deletions) during the year	71,516.67	7,542.62
Closing balance	2,56,180.70	1,84,664.03

* Includes Remeasurement gain / (loss) of Employee Benefit Obligation recognised in Other Comprehensive Income

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Opening balance	15.23	62.22
Other Comprehensive Income for the year	85.99	(46.99)
Closing balance	101.22	15.23



Notes

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

NOTE 23 INTEREST INCOME

(₹ in lakh)

Particulars	For the year ended 31 st March, 2024				For the year ended 31 st March, 2023			Total Interest Income
	On Financial Assets measured at Amortised Cost	On Financial Assets measured at fair value through OCI	On Financial Assets measured at fair value through profit or loss	Total Interest Income	On Financial Assets measured at Amortised Cost	On Financial Assets measured at fair value through OCI	On Financial Assets measured at fair value through profit or loss	
(i) Interest on loans	3,35,243.85	-	-	3,35,243.85	2,53,331.92	-	-	2,53,331.92
(ii) Interest income from investments	-	22,937.64	-	22,937.64	-	24,607.15	-	24,607.15
(iii) Interest on deposits with banks	462.16	-	-	462.16	263.35	-	-	263.35
(iv) Other interest income								
- On Lending through Pass through Certificates (PTC)	1,158.57	-	-	1,158.57	1,231.03	-	-	1,231.03
- On Staff loans	6.34	-	-	6.34	5.92	-	-	5.92
- On CBLO deposits	2.81	-	-	2.81	1.99	-	-	1.99
- On CBLO lending	643.57	-	-	643.57	1,240.24	-	-	1,240.24
- On Certificate of deposits	-	-	-	-	331.72	-	-	331.72
Total	3,37,517.30	22,937.64	-	3,60,454.94	2,56,406.17	24,607.15	-	2,81,013.32

NOTE 24 FEES AND COMMISSION INCOME

(₹ in lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Foreclosure charges	6,260.51	4,629.39
Dishonour fees	4,343.51	4,807.01
Stamping charges	2,391.29	1,704.38
Others	7,763.00	3,338.96
Total	20,758.31	14,479.74

NOTE 25 NET GAIN ON FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

(₹ in lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Net gain/ (loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
-Investments	6,415.84	1,296.54
-Derivatives	(73.62)	1,160.58
Total	6,342.22	2,457.12
Fair value changes:		
-Realised	4,771.72	1,564.75
-Unrealised (Net)*	1,570.50	892.37
Total	6,342.22	2,457.12

* Net of unrealised gain/(loss) of previous period transferred to realised gain/(loss)

Notes

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

NOTE 26 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	36.40	32.13
Provision for contingencies no longer required	303.82	376.32
Exchange Gain on translation of foreign currency loan	53.46	(982.87)
Interest on income tax refund	0.04	-
Unwinding of discount on security deposit	(18.45)	-
Income from alternate investment capital fund	1,833.09	264.89
Miscellaneous income	-	(8.32)
Total	2,208.36	(317.85)

NOTE 27 FINANCE COST

(₹ in lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
On financial liabilities measured at amortised cost		
Interest on borrowings (other than debt securities)		
- Term loans and working capital demand loans	25,665.72	8,202.86
- Inter corporate deposits	61.98	307.19
- Cash credit and overdraft	386.19	193.85
- Commercial papers	34,562.51	25,748.33
Interest on debt securities		
- Non convertible Debentures	1,13,343.69	81,037.23
- Deep discount debentures	-	-
- Nifty linked debentures	723.87	1,300.60
Interest on subordinated liabilities	920.90	1,565.25
Interest expense on lease liability (Refer Note 38)	189.22	124.23
Other interest expense	9.38	-
Other borrowing costs *	1,228.03	244.34
Total	1,77,091.49	1,18,723.88

* Includes discount on CBLO borrowings, bank charges, interest on income tax liabilities etc.

NOTE 28 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 fair value through OCI		
Investments	(59.83)	(20.92)
On financial instruments measured at amortised cost		
Loans	25,761.52	(4,029.34)
Investments	(267.60)	(611.16)
Other financial assets	(0.96)	(10.30)
Total	25,433.13	(4,671.72)

Notes

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

NOTE 29 EMPLOYEE BENEFITS EXPENSE

(₹ in lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Salaries and wages	34,074.84	26,285.94
Contribution to provident and other funds	2,156.11	1,661.46
Share based payments to employees	259.06	238.89
Staff welfare expenses	932.37	799.88
Gratuity (refer note 39)	463.56	240.61
Total	37,885.94	29,226.78

NOTE 30 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	1,539.28	1,020.89
Depreciation on investment property	45.33	45.31
Amortisation of intangible assets	208.99	203.35
Total	1,793.60	1,269.55

NOTE 31 OTHER EXPENSES

(₹ in lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Power and fuel	453.74	392.61
Rates and taxes	8,158.71	6,147.26
Repairs and maintenance	3,046.41	1,811.57
Insurance	22.30	17.67
Communication costs	657.07	500.17
Travelling and conveyance	1,513.05	1,166.97
Legal and Professional charges	10,226.15	9,091.31
Printing and stationery	583.32	628.16
Office expenses	401.50	419.23
Common establishment expenses - Reimbursements	1,630.86	1,440.00
Advertisement and publicity	500.15	802.23
Expenditure on corporate social responsibility (refer note 36)	2,175.15	1,859.96
Director's fees, allowances and expenses	158.90	87.33
Auditor's fees and expenses (refer note 35)	164.51	146.23
Data processing	99.00	132.00
Expenses relating to short-term leases (Refer Note 38)	1,419.86	1,082.20
Provision for MTM on derivatives	-	(424.35)
Miscellaneous expenses	1,973.23	1,869.62
Royalty Expenses	749.42	651.88
Total	33,933.33	27,822.05

Notes

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

NOTE 32 TAX EXPENSE

(A) AMOUNTS RECOGNISED IN 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 year	32,060.00	28,678.00
Change in estimates related to prior years	-	-
Total current tax expense (A)	32,060.00	28,678.00
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(2,917.86)	3,644.85
Deferred tax expense (B)	(2,917.86)	3,644.85
Total tax expense for the year (A)+(B)	29,142.14	32,322.85

(B) AMOUNTS RECOGNISED 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)	114.91	(28.92)	85.99	(62.80)	15.81	(46.99)
(b) Equity instruments through other comprehensive income	92,393.61	(20,876.94)	71,516.67	9,499.82	(1,957.20)	7,542.62
Items that will be reclassified to profit or loss						
(a) Debt instruments through other comprehensive income	2,126.10	(535.10)	1,591.00	(1,880.37)	473.25	(1,407.12)
Total	94,634.62	(21,440.96)	73,193.66	7,556.65	(1,468.14)	6,088.51

(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 as per Statement of profit and loss	115,912.01		127,075.93	
Statutory tax rate		25.168%		25.168%
Tax using the Company's statutory tax rate (B)	29,172.73		31,982.47	
Tax effect of:				
Effect of incomes which are taxed at different rates	(46.68)	-0.04%	(30.07)	(0.02%)
Tax effects of amounts which are not deductible for taxable income	548.75	0.47%	490.64	0.39%
Effect of dividend income taxed under Section 80M	(394.13)	-0.34%	(130.92)	(0.10%)
Losses on account of fair valuation of investment for which no deferred tax is recognised	-	-	-	-
(Short) / Excess provision for tax	(138.53)	-0.12%	10.73	0.01%
Total tax expense	29,142.14	25.142%	32,322.85	25.436%
Current tax	32,060.00		28,678.00	
Deferred tax	(2,917.86)		3,644.85	
Total tax liability	29,142.14		32,322.85	



Notes

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

(D) MOVEMENT IN DEFERRED TAX BALANCES

(₹ in lakh)

Particulars	As at 31 st March, 2024				As at 31 st March, 2023			
	Balance as at 1 st April, 2023	Recognised in profit or loss	Recognised in OCI	Balance as at 31 st March, 2024	Balance as at 1 st April, 2022	Recognised in profit or loss	Recognised in OCI	Balance as at 31 st March, 2023
Deferred tax assets (Net)								
On difference between book balance and tax balance of Property, plant and equipment	3,689.70	29.66	-	3,719.36	3,681.12	8.59	-	3,689.70
Fair valuation of investments	171.92	(152.33)	(550.15)	(530.56)	(71.32)	(224.75)	467.99	171.92
Impairment loss allowance	9,970.99	5,997.04	15.05	15,983.08	13,821.37	(3,855.65)	5.27	9,970.99
EIR impact on financial assets measured at amortised cost	(3,458.62)	(1,363.20)	-	(4,821.82)	(2,467.20)	(991.42)	-	(3,458.62)
EIR impact on financial liabilities measured at amortised cost	(176.28)	44.40	-	(131.88)	(64.20)	(112.08)	-	(176.28)
Employee benefits	-	28.92	(28.92)	-	-	(15.81)	15.81	-
Provision for compensated absences, gratuity and other employee benefits	157.67	(68.83)	-	88.84	157.77	(0.09)	-	157.67
Fair valuation of derivative financial instrument	7.02	13.37	-	20.39	64.18	(57.16)	-	7.02
Impact of Ind AS 116	30.30	9.09	-	39.39	31.55	(1.25)	-	30.30
Other temporary differences	1,592.84	(1,620.26)	-	(27.42)	(11.95)	1,604.78	-	1,592.84
Total	11,985.54	2,917.86	(564.02)	14,339.38	15,141.32	(3,644.85)	489.07	11,985.54

(₹ in lakh)

Particulars	As at 31 st March, 2024				As at 31 st March, 2023			
	Balance as at 1 st April, 2023	Recognised in profit or loss	Recognised in OCI	Balance as at 31 st March, 2024	Balance as at 1 st April, 2022	Recognised in profit or loss	Recognised in OCI	Balance as at 31 st March, 2023
Deferred tax liabilities (Net)								
Fair valuation of investments	50,947.34	-	20,876.94	71,824.27	48,990.13	-	1,957.20	50,947.34
Total	50,947.34	-	20,876.94	71,824.27	48,990.13	-	1,957.20	50,947.34

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.

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.

Notes

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

(E) TAX BALANCES

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Current tax assets (Net) (Net of provision of 31 st March, 2024: ₹209,128.88 lakh, 31 st March, 2023: ₹345,155.93 lakh)	6,671.08	11,163.28
Current tax liabilities (Net) (Net of advance tax of 31 st March, 2024: ₹ 154,397.50, 31 st March, 2023: ₹ 338,284.74 lakh)	6,824.20	4,292.08

NOTE 33 EARNINGS PER EQUITY SHARE

Basic EPS is calculated by dividing profit for the year attributable to equity holders by weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

(₹ in lakh)

Sr. No.	Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
A)	Net profit attributable to equity holders	86,769.87	94,753.08
	Adjustments	-	-
B)	Profit attributable to equity holders of the Company	86,769.87	94,753.08
C)	Weighted average number of ordinary shares		
	Issued ordinary shares at the beginning of the year	3,495,200	3,495,200
	Number of shares issued during the year (nos.)	-	-
	Weighted average number of shares at the end of the year	3,495,200	3,495,200
D)	Face value per share	10.00	10.00
E)	Basic & Diluted earnings per share	2,482.54	2,710.95

NOTE 34 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

34.1 CONTINGENT LIABILITIES:

(₹ in lakh)

Sr. No.	Particulars	As at 31 st March, 2024	As at 31 st March, 2023
a)	Claims against the Company not acknowledged as debt in case of suits filed by customer/s with respect to release of repossessed vehicles and related matters. The Company had preferred an appeal against the same with State / National Consumer Dispute Redressal Forum.	273.36	482.53
b)	The Company has received a demand (net of provision) on completion of income tax assessment. The said amount is disputed and the Company has preferred an appeal against the same.	1,041.51	1,006.73



Notes

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

Sr. No.	Particulars			As at 31 st March, 2024	As at 31 st March, 2023
	Assessment Year	As at 31st March, 2024	As at 31st March, 2023		
	2013-14	190.49	190.49		
	2014-15	53.73	53.72		
	2015-16	49.02	49.02		
	2016-17	40.00	5.21		
	2020-21	541.69	541.69		
	2021-22	166.60	166.60		
c)	The Company has received VAT assessment orders for financial years 2008-09 to 2012-13. The Company has preferred an appeal against the same.			308.84	546.58
d)	The Company has received GST assessment order for financial year 2017-2018. The Company has preferred an appeal against the same. Further, the Company has paid the mandatory predeposit of ₹ 42.65 Lakh while filing the Appeal.			895.70	-
	Other Comittments				
	Foreign Currency Term Loan			-	12,500.00
	Bank Gurantee			25.00	-
	OIS			131,000.00	-
	Balance Capital Commitment in Alternative Investment Fund			46,248.51	56,901.27
34 .2	The Company followed a policy of charging acquisition cost for Retail loans based on internal rate of return of the contract. The Company has changed its accounting policy w.e.f 1 st April, 2022, of charging such acquisition cost for Retail loans in the period in which they are incurred. Accordingly, the unamortised brokerage cost of ₹ 10,134.05 lakh as at 31 st March, 2022 has also been charged to the Statement of Profit and Loss during the quarter ended June 30, 2022. Due to this change in policy, the profit before tax for the year ended 31 st March, 2023 is lower by ₹ 16,259.87 lakh and profit after tax for the same period is lower by ₹12,144.01 lakh.				
	Total			179,792.92	71,437.11

NOTE 35 PAYMENT TO AUDITORS

(₹ in lakh)

Sr. No.	Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
	Payment to the auditors as:		
a)	Auditors	156.00	140.00
b)	For other services	8.51	6.23
	Total	164.51	146.23

Notes

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

NOTE 36 CORPORATE SOCIAL RESPONSIBILITY

The Company's CSR program is associated with the CSR initiatives of Kotak Mahindra Bank Limited (KMBL), its holding company. KMBL is building its CSR capabilities on a sustainable basis and the Company is committed to gradually increase its CSR spend in the coming years. As per the provisions of the Section 135 of the Companies Act, 2013, the Company is required to spend ₹2,169.62 lakh during the year on CSR activities.

36.1 DISCLOSURES IN RELATION TO CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE:

(₹ in lakh)

Sr. No.	Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
	Amount spent on CSR		
	Kotak Education Foundation *	223.97	-
	Muktangan Education Trust	150.00	125.00
	Pratham Education Foundation	525.00	412.00
	Wockhardt Foundation	87.00	558.00
	Impact Guru Foundation	831.00	100.00
	Azad Foundation	-	21.00
	Smile Foundation	91.57	5.40
	Rotary Club Of Banjara Hills Charitable Trust	-	15.00
	Rotary Club Of The Nilgiris Charitable Trust	-	10.00
	Save Life Foundation	8.00	-
	Others **	43.19	43.95
	Accrual towards unspent obligations (Shortfall) in relation to:		
(i)	Ongoing project	215.42	602.20
(ii)	Other than ongoing project	-	-
	Total	2,175.15	1892.55
a)	Amount required to be spent as per Section 135 of the Act	2,169.62	1849.65
b)	Amount approved by the Board to be spent during the year #	2,175.15	1892.55
c)	Amount of cumulative unspent at the end of the year	303.16	924.91
d)	Amount spent during the year on	1,959.73	1290.35
(i)	Construction / acquisition of any asset	772.31	93.96
(ii)	On purposes other than (i) above	1187.42	1196.39

* Excludes ₹ 1.03 lakh of unutilised CSR payment which was refunded by KEF in April 2024.

** Includes Administrative expenses incurred of ₹ 33.14 lakh (previous year ₹ 32.58 lakh).

includes costs incurred on administrative overheads and impact assessment.

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

(₹ IN LAKH)

FY	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	
	With Company	In Separate CSR Unspent account		From the Company's Bank account	From Separate CSR Unspent account	With Company*	In Separate CSR Unspent account
2021-22		108.70		108.70	-	-	
2022-23	602.20	214.01		728.46	-	87.75	
2023-24			2131.96	1916.54	215.42	-	

* The same has been deposited subsequent to the Balance Sheet date on 24th April, 2024.

** Does not include amount spent by the company on impact assessment and administrative overheads.



Notes

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

36.3 DETAILS OF CSR EXPENDITURE UNDER SECTION 135(5) OF THE ACT IN RESPECT OF OTHER THAN ONGOING PROJECTS:

Sr No	Balance unspent as at 1 st April, 2023	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at 31 st March, 2024
NIL					

36.4 DETAILS OF EXCESS CSR EXPENDITURE UNDER SECTION 135(5) OF THE ACT:

(₹ in Lakh)

Sr No	Balance excess spent as at 1 st April, 2023	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at 31 st March, 2024
a)	43.14	2,169.62	2,175.15	48.67

36.5 DETAILS PERTAINING TO CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES:

(₹ in lakh)

Sr. No.	Particulars	As at 31 st March, 2024	As at 31 st March, 2023
a)	Corporate Social Responsibility expenses for the period	2,175.15	1,859.96
b)	Various Head of expenses included in above:		
	Note 31: Other Expenses: Contribution on Corporate Social Responsibility activities	2,175.15	1,859.96
c)	Gross amount required to be spent by the company during the year.	2,169.62	1,849.65
d)	Amount spent during the year on:	1,959.73	1,290.35
	(i) Construction/acquisition of any asset	772.31	93.96
	(ii) On purposes other than (i) above	1,187.42	1,196.39
e)	Details of related party transactions	Nil	Nil
f)	Provision for CSR Expenses		
	Opening Balance	924.91	955.51
	Add: Provision created during the period	215.42	602.20
	Less: Provision utilised during the period	(837.17)	(632.80)
	Closing Balance	303.16	924.91
g)	The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year	Nil	Nil
h)	The total of previous years' shortfall amounts	NA	NA
i)	The reason for above shortfalls by way of a note	NA	NA
j)	The nature of CSR activities undertaken by the Company	The CSR activities are undertaken in Focus area Education & Livelihood in terms of Company's CSR policy	The CSR activities are undertaken in Focus area Education & Livelihood in terms of Company's CSR policy

Notes

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

NOTE 37 RELATED PARTY DISCLOSURE

Related party disclosures, as required by notified Ind AS 24 - 'Related Party Disclosures' are given below:

A. NAMES OF RELATED PARTIES

Sr. No.	Particulars	Proportion of ownership interest
(a) Control exists:		
	Holding company:	
	Kotak Mahindra Bank Limited	51.00%
	Mr. Uday S. Kotak, Promoter along with his 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	
(b) Entity which has significant influence on the Company		
	Fellow subsidiary:	
	Kotak Securities Limited	49.00%
(c) Fellow subsidiaries with whom transactions have taken place during the year:		
	Kotak Mahindra Asset Management Company Limited	
	Kotak Mahindra Investments Limited	
	Kotak Mahindra Life Insurance Company Limited	
	Kotak Mahindra General Insurance Limited	
	Kotak Mahindra Capital Company Limited	
	Kotak Alternate Asset Management Limited (erstwhile Kotak Investment Advisors Limited)	
	BSS Microfinance Limited	
(d) Other related parties		
	Entities in which individual having significant influence in the Company / relatives of such individual have significant influence	
	(i) Aero Agencies Limited	
	(ii) Phoenix ARC Private Limited	
(e) Key Management Personnel and Directors		
	Mr. Vyomesh Kapasi - Managing Director	
	Mr. Ravi Venkatraman - Independent director	
	Mr. Chandrashekhar Sathe - Independent director	
	Ms. Akila Urankar - Independent director	
	Mr. Shahrukh Todiwala as Additional Wholetime Director	
	Mr. Prakash Apte - Independent director (w.e.f 1 January, 2024)	
	Mr. Nihar Rao - Independent director (w.e.f 12 March, 2024)	
	Mr. Chandrashekhar Rajan - Independent director (resigned on 1 January, 2024)	
	Mr. Uday Kotak - Non Executive Director	
	Mr. Amit Mohan - Non Executive Director	
(f) Relative of Key Management Personnel and Directors		
	Mrs. Behnaaz Todiwala (Spouse of Director)	



Notes

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

B. TRANSACTIONS WITH RELATED PARTIES

The following tables provide the total amount of transactions that have been entered into with related parties for the relevant financial year:

Transactions with key management personnel

The table below describes the compensation to key management personnel which comprise directors and executive officers under Ind AS 24:

(a) Key management personnel compensation*

(₹ in lakh)

Sr. No.	Particulars	As at 31 st March, 2024	As at 31 st March, 2023
i.	Short-term employee benefits	458.82	391.12
ii.	Post-employment defined benefit	19.83	17.44
iii.	Share-based payments	86.41	41.82
iv.	Sitting fees and commission	158.90	87.33

* The above figures do not include provisions for encashable leave and gratuity, as separate actuarial valuation are not available.

** SARS considered based on actual payout during the year

(b) Transactions with other related parties

A. During the year following transaction were entered into with related parties:

Nature of transactions	Year Ended March 31	Holding Company	Fellow Subsidiaries	Other related parties	Key Management Personnel	Relative of Key Management Personnel	Total
Non Convertible Debentures (Borrowings) redeemed	2024	20,500.00	15,800.00	-	-	-	36,300.00
	2023	(3,500.00)	(7,900.00)	-	-	-	(11,400.00)
Non Convertible Debentures (Borrowings) issued	2024	55,532.15	-	-	-	-	55,532.15
	2023	(31,960.73)	(4,401.85)	-	-	-	(36,362.58)
Interest expense on debentures	2024	2,373.83	920.90	-	-	-	3,294.73
	2023	(5,723.65)	(1,494.12)	-	-	-	(7,217.77)
Term loan repaid	2024	72,501.82	-	-	-	-	72,501.82
	2023	(82,502.00)	-	-	-	-	(82,502.00)
Term loan taken	2024	45,001.82	-	-	-	-	45,001.82
	2023	(80,002.00)	-	-	-	-	(80,002.00)
Commission/Premium received in advance	2024	-	4.48	-	-	-	4.48
	2023	-	(10.83)	-	-	-	(10.83)
Dividend paid on Equity Share Capital	2024	891.30	856.30	-	-	-	1,747.60
	2023	(891.30)	(856.30)	-	-	-	(1,747.60)
Dividend Income on Equity Share Investment	2024	-	1,620.00	-	-	-	1,620.00
	2023	-	(1,215.00)	-	-	-	(1,215.00)
Interest received on Term Deposits	2024	457.65	-	-	-	-	457.65
	2023	(261.97)	-	-	-	-	(261.97)
Referral fees/Brokerage Income	2024	135.18	-	-	-	-	135.18
	2023	(274.26)	-	-	-	-	(274.26)
Fee based income /Insurance Commission	2024	-	5,232.87	-	-	-	5,232.87
	2023	-	(907.39)	-	-	-	(907.39)

Notes

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

Nature of transactions	Year Ended March 31	Holding Company	Fellow Subsidiaries	Other related parties	Key Management Personnel	Relative of Key Management Personnel	Total
Rent received	2024	662.34	3.33	-	-	-	665.67
	2023	(593.51)	(5.63)	-	-	-	(599.14)
Interest on Cash Credit	2024	38.72	-	-	-	-	38.72
	2023	(9.85)	-	-	-	-	(9.85)
Forex Profit/ Loss Derivatives	2024	(30.50)	-	-	-	-	(30.50)
	2023	(107.81)	-	-	-	-	(107.81)
Brokerage paid	2024	-	6.62	-	-	-	6.62
	2023	-	(3.01)	-	-	-	(3.01)
Interest payable on debentures	2024	628.28	261.48	-	-	-	889.76
	2023	(5,709.62)	(1,477.27)	-	-	-	(7,186.89)
Royalty paid	2024	749.42	-	-	-	-	749.42
	2023	(651.88)	-	-	-	-	(651.88)
CMS service charges & Bank charges	2024	300.63	-	-	-	-	300.63
	2023	(234.96)	-	-	-	-	(234.96)
Common Establishment Expenses - Reimbursed	2024	2,233.72	-	-	-	-	2,233.72
	2023	(1,492.28)	(128.40)	-	-	-	(1,620.68)
Arranger Fees paid	2024	8.25	-	-	-	-	8.25
	2023	(2.49)	-	-	-	-	(2.49)
IPA Fees paid	2024	2.00	-	-	-	-	2.00
	2023	(2.00)	-	-	-	-	(2.00)
Term loan interest	2024	1,778.30	-	-	-	-	1,778.30
	2023	(353.29)	-	-	-	-	(353.29)
Rent paid	2024	3,104.23	0.31	-	-	-	3,104.54
	2023	(2,420.01)	(0.37)	-	-	-	(2,420.38)
Referral fees paid/Commission expense for Car Disbursal	2024	1,082.73	4.99	-	-	-	1,087.72
	2023	(1,740.57)	(3.41)	-	-	-	(1,743.98)
Insurance Premium paid	2024	-	139.00	-	-	-	139.00
	2023	-	(135.14)	-	-	-	(135.14)
Demat Charges paid	2024	0.15	0.05	-	-	-	0.20
	2023	(0.19)	(0.01)	-	-	-	(0.20)
Expense reimbursements by other company	2024	5.00	1.23	-	-	-	6.23
	2023	(0.05)	(4.01)	-	-	-	(4.06)
Expense reimbursements to other company	2024	-	0.58	-	-	-	0.58
	2023	-	(0.42)	-	-	-	(0.42)
Reimbursement to Other Company - Employee transfer	2024	16.61	-	-	-	-	16.61
	2023	(45.35)	-	-	-	-	(45.35)
Reimbursement by Other Company - Employee transfer	2024	8.07	-	-	-	-	8.07
	2023	(3.40)	(0.24)	-	-	-	(3.64)
Reimbursement to Other Company - Purchase of Assets	2024	7.07	-	-	-	-	7.07
	2023	(1.91)	-	-	-	-	(1.91)
Interest income on debentures	2024	-	1,968.51	-	-	-	1,968.51
	2023	-	(2,034.78)	-	-	-	(2,034.78)



Notes

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

Nature of transactions	Year Ended March 31	Holding Company	Fellow Subsidiaries	Other related parties	Key Management Personnel	Relative of Key Management Personnel	Total
ESOP Cost	2024	43.61	-	-	-	-	43.61
	2023	(22.55)	-	-	-	-	(22.55)
Interest receivable on Term deposits (net of TDS)	2024	0.27	-	-	-	-	0.27
	2023	(0.31)	-	-	-	-	(0.31)
Interest Accrued payable on CIRS IRS FCIRS FRA	2024	(3.22)	-	-	-	-	(3.22)
	2023	(2.28)	-	-	-	-	(2.28)
Income/Expense on OIS deal	2024	58.51	-	-	-	-	58.51
	2023	(6.44)	-	-	-	-	(6.44)
Income On CIRS	2024	106.49	-	-	-	-	106.49
	2023	(1,004.23)	-	-	-	-	(1,004.23)
Interest Payable	2024	-	-	-	-	-	-
	2023	(2.05)	-	-	-	-	(2.05)
Arranger Fees/IPA Fees Receivable	2024	-	-	-	-	-	-
	2023	(0.43)	-	-	-	-	(0.43)
Interest Income on Loan-Behnaaz Todiwala	2024	-	-	-	-	0.40	0.40
	2023	-	-	-	-	(0.54)	(0.54)
Payable towards Int. Co. Asset Transfer	2024	-	5.94	-	-	-	5.94
	2023	-	(0.49)	-	-	-	(0.49)
Non Convertible Debentures redeemed (Investments)	2024	-	11,800.00	-	-	-	11,800.00
	2023	-	(3,400.00)	-	-	-	(3,400.00)
Services Charges On TWL Payable	2024	-	144.38	-	-	-	144.38
	2023	-	(60.90)	-	-	-	(60.90)
Services Charges On TWL	2024	-	665.40	-	-	-	665.40
	2023	-	(56.38)	-	-	-	(56.38)
Outstanding balances							
Term loan from banks outstanding	2024	25,000.00	-	-	-	-	25,000.00
	2023	(53,482.87)	-	-	-	-	(53,482.87)
Non Convertible Debentures (Borrowings) Outstanding	2024	15,568.20	4,717.11	-	-	-	20,285.31
	2023	(151,158.85)	(4,385.00)	-	-	-	(155,543.86)
Subordinated debt	2024	-	10,261.48	-	-	-	10,261.48
	2023	-	(14,376.15)	-	-	-	(14,376.15)
Outstandings – Payables	2024	749.69	1.73	-	-	-	751.42
	2023	(1,298.90)	(127.82)	-	-	-	(1,426.72)
Demat charges payable	2024	-	0.01	-	-	-	0.01
	2023	(0.04)	(0.01)	-	-	-	(0.05)
Deposits	2024	-	54.84	-	-	-	54.84
	2023	(0.10)	(125.92)	-	-	-	(126.02)
Bank Balance in Current/OD Account	2024	11,559.40	-	-	-	-	11,559.40
	2023	(30,664.39)	-	-	-	-	(30,664.39)
Prepaid expense	2024	-	118.34	-	-	-	118.34
	2023	-	(84.54)	-	-	-	(84.54)
Outstandings – Receivables	2024	19.36	1,326.04	-	-	-	1,345.41
	2023	(280.67)	(263.25)	-	-	-	(543.92)

Notes

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

Nature of transactions	Year Ended March 31	Holding Company	Fellow Subsidiaries	Other related parties	Key Management Personnel	Relative of Key Management Personnel	Total
Investment in Equity Shares	2024	-	318,959.06	18,463.31	-	-	337,422.37
	2023	-	(231,557.22)	(13,471.55)	-	-	(245,028.77)
Non Convertible Debentures (Investment) Outstanding	2024	-	15,026.46	-	-	-	15,026.46
	2023	-	(26,894.85)	-	-	-	(26,894.85)
Commission Received In Advance(Liability)	2024	-	0.57	-	-	-	0.57
	2023	-	(0.16)	-	-	-	(0.16)
Capital contribution from parent	2024	535.72	-	-	-	-	535.72
	2023	(500.81)	-	-	-	-	(500.81)
Forward Unrealised payable on IRS/FRA/LCY-Banks	2024	39.77	-	-	-	-	39.77
	2023	(912.60)	-	-	-	-	(912.60)
Term Deposits / Margin Deposits Outstanding	2024	59.17	-	-	-	-	59.17
	2023	(58.10)	-	-	-	-	(58.10)
Car Loan outstanding	2024	-	-	-	-	4.43	4.43
	2023	-	-	-	-	(6.42)	(6.42)
Remuneration to key management personnel *	2024	-	-	-	565.06	-	565.06
	2023	-	-	-	(450.38)	-	(450.38)
BG Commission	2024	0.26	-	-	-	-	0.26
	2023	(0.07)	-	-	-	-	(0.07)
Other Charges	2024	0.44	-	-	-	-	0.44
	2023	-	-	-	-	-	-
Off balance sheet items							
OIS exposure / Bank guarantee	2024	10,025.00	-	-	-	-	10,025.00
	2023	(23,507.87)	-	-	-	-	(23,507.87)

* Excludes provision for gratuity and compensated absences, since it is based on actuarial valuation done on an overall basis.

*Related Party transactions are excluding impacts of EIR and ECL effects

(d) 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.



Notes

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

NOTE 38 LEASES

OPERATING LEASE AS LESSEE:

1 The Company leases office premises/branches. The average lease term is 7.03 years. The lease terms include renewal option after expiry of primary lease period. There are no restrictions imposed by the lease arrangements. There are escalation clauses in the lease agreements.

2 As a lessee

Property, plant and equipment' comprise owned and leased assets that do not meet the definition of investment property.

(₹ in lakh)

	Note	As at 31 st March, 2024	As at 31 st March, 2023
Property, plant and equipment owned	9	2,175.18	1,594.99
Right-of-use assets	9	2,567.79	1,662.17

The Company leases assets including premises. Information about the leases for which the Company is a lessee is presented below:

Right-of-use assets

Particulars	Office Premises
Balance as at 31st March, 2022	1,072.78
Additions / (Disposals) for the year	980.74
Depreciation charge for the year	(391.35)
Balance as at 31st March, 2023	1,662.17
Additions / (Disposals) for the year	1,529.35
Depreciation charge for the year	(623.73)
Balance as at 31st March, 2024	2,567.79

Additions to the right to use assets during the year 2023-24 is ₹ 1,591.73 Lakh (2022-23: ₹ 980.74 lacs).

Lease liabilities

The Company has presented lease liabilities within 'Other financials liabilities'.

3 Amounts recognised in profit and loss

(₹ in lakh)

Particulars	Note	As at 31 st March, 2024	As at 31 st March, 2023
Interest expense on lease liabilities	27	189.22	124.23
Expense relating to short-term leases	31	1,419.86	1,082.20

4 **At 31st March 2024, the Company has not committed for short-term leases (31st March 2023 - NIL).**

5 Amounts recognised in statement of cash flows

The total cash outflow for leases amount to ₹ 748.99 Lakh (31 March 2023- ₹ 529.21 Lakh).

Notes

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

6 Maturity analysis

(₹ in lakh)

Particulars	As at	
	31 st March, 2024	31 st March, 2023
Contractual undiscounted cash flows		
Not later than 1 year	601.48	551.31
Later than 1 year and not later than 5 years	1,922.00	1,171.08
Later than 5 years	970.47	509.89
Total undiscounted lease liabilities	3,493.95	2,232.28
Lease liabilities included in the balance sheet		
Current	2,779.79	1,852.25
Non-current	420.08	444.26
	2,359.71	1407.99

The Company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Company's treasury function.

7 Short term leases and Leases of low value assets

The Company has elected not to recognise right of use assets and lease liabilities for short term leases of office premises/branches that have a lease term of 12 months or less. The Company does not have any leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

Finance Lease as lessor:

The Company is in the business of vehicle financing. The Company enters into finance lease agreements ranging between one to five years. The reconciliation between the total gross investment in the lease at the balance sheet date and the present value of minimum lease payments receivable at the balance sheet are as follows:

(₹ in lakh)

Particulars	As at	
	31 st March, 2024	31 st March, 2023
Gross rental receivable	24,958.82	18,271.63
Less: Unearned finance income	4,807.74	3,434.46
Net present value of rental	20,151.08	14,837.17

Rental Receivable on Finance Lease:

(₹ in lakh)

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	Gross investment in lease	Net present value of MLP	Gross rental receivable	Net present value of rental
Less than one year	8,572.55	6,377.37	6,221.17	4,632.00
Between one and five years	16,386.27	13,773.71	12,050.46	10,205.17
More than five years	-	-	-	-
Present value of rental	24,958.82	20,151.08	18,271.63	14,837.17



Notes

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

The following table contains other relevant disclosures for finance leases as lessor:

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Accumulated allowance for uncollectible minimum lease payments receivable	230.04	166.67
Unguaranteed residual values accruing to the benefit of the lessor	-	-
Contingent Rent recognised as income during the period	-	-

NOTE 39 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 for employees. The Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹2,156.11 lakh (year ended 31st March, 2023 ₹ 1,661.46 lakh) for Provident Fund contributions in the Statement of Profit and Loss.

(ii) Defined Benefit Plan:

The Company offers the following employee benefit schemes to its employees:

In accordance with Payment of Gratuity Act, the Company provides for gratuity, a defined benefit retirement plan covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Company.

The Company accounts for the liability for future gratuity benefits based on an actuarial valuation. The Company contributes to a Gratuity Fund administered by trustees and managed by Kotak Mahindra Life Insurance Company Limited, fellow subsidiary. The net present value of the Company's obligation towards the same is actuarially determined based on the projected unit credit method as at Balance Sheet date.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's 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)	1,861.10	1,427.59
Fair value of plan assets (B)	1,995.34	1,269.17
Net (asset) / liability recognised in the Balance Sheet (A-B)	(134.24)	158.42

Notes

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

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)

Particulars	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
Included in profit or loss						
Opening balance	1,427.59	1,341.45	1,269.17	1,423.09	158.42	(81.64)
Current service cost	302.80	251.11	-	-	302.80	251.11
Past service cost	155.03	-	-	-	155.03	-
Interest cost (income)	92.65	82.27	86.93	92.77	5.72	(10.50)
	1,978.07	1,674.83	1,356.10	1,515.86	621.97	158.97
Included in OCI						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions	-	13.17	-	-	-	13.17
Financial assumptions	13.57	(43.64)	-	-	13.57	(43.64)
Experience adjustment	59.74	(16.43)	-	-	59.74	(16.43)
Return on plan assets excluding interest income		-	188.22	(109.69)	(188.22)	109.69
	73.31	(46.90)	188.22	(109.69)	(114.91)	62.79
Other						
Contributions paid by the employer	-	-	648.65	76.44	(648.65)	(76.44)
Benefits paid	(197.63)	(213.44)	(197.63)	(213.44)	-	-
Liabilities assumed / (settled)	7.35	13.10	-	-	7.35	13.10
Closing balance	1,861.10	1,427.59	1,995.34	1,269.17	(134.24)	158.42
Represented by						
Net defined benefit asset					(134.24)	-
Net defined benefit liability					-	158.42

C. EXPENSES RECOGNISED IN PROFIT & LOSS

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Current service cost	302.80	251.11
Past service cost	155.03	-
Interest on net defined benefit liability / (asset)	5.72	(10.50)
	463.55	240.61



Notes

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

D. Remeasurements recognised in other comprehensive income

(₹ in lakh)

Particulars	As at	
	31 st March, 2024	31 st March, 2023
Actuarial loss (gain) arising from:		
Actual return on plan assets	(188.22)	109.69
Demographic assumptions	-	13.17
Financial assumptions	13.57	(43.64)
Experience adjustment	59.74	(16.43)
	(114.91)	62.80

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)

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	Quoted value	Unquoted value	Quoted value	Unquoted value
Insurer managed funds	-	1,995.34	-	1,269.17
	-	1,995.34	-	1,269.17

Composition of Planned Assets

(₹ in lakh)

Type of instruments	As at	
	31 st March, 2024	31 st March, 2023
Equity	59%	12%
Government securities	37%	29%
Bonds, debentures and other fixed income instruments	0%	36%
Money market instruments	4%	22%
Others	0%	0%
	100%	100%

F. DEFINED BENEFIT OBLIGATIONS

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages)

(₹ in lakh)

Particulars	As at	
	31 st March, 2024	31 st March, 2023
Discount rate	7.15%	7.30%
Salary escalation rate	7.00%	7.00%

Notes

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

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ in lakh)

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(44.47)	46.64	(34.48)	36.20
Future salary growth (0.5% movement)	34.04	(33.53)	25.08	(24.96)

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 periods in the methods and assumptions used in preparing the sensitivity analyses.

G. Risk Exposure

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. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level. 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' bond holdings.

H. Funding arrangements and policy

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.

There is no compulsion on the part of the Company to fully pre fund the liability of the Plan. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of under funding of the plan.

The expected contribution payable to the plan next year is Nil.

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.

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Expected benefits for year 1	410.04	316.84
Expected benefits for year 2	335.43	268.02
Expected benefits for year 3	255.39	216.85
Expected benefits for year 4	247.44	145.98
Expected benefits for year 5 and above	1,581.67	1,258.08



Notes

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

I. EXPERIENCE ADJUSTMENTS

(₹ in lakh)

Particulars	Gratuity		
	Year ended March 31		
	2024	2023	2022
Defined benefit obligation	1,861.10	1,427.59	1,341.45
Plan assets	1,995.34	1,269.17	1,423.09
Surplus / (deficit)	134.24	(158.42)	81.64
Experience adjustments on plan liabilities	59.74	(16.43)	39.40

J. 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 ₹ 23 lakh (Previous year: ₹ (395.47 lakh) for Compensated Absences in the Statement of Profit and Loss.

K. 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.

NOTE 40 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 unanimously passed Special Resolutions on 5th July, 2007, 21st August, 2007 and 29th June, 2015, to grant options to the eligible employees of the Bank and its subsidiaries and associate companies. Pursuant to these resolutions, the following Employees Stock Option Schemes had been formulated and adopted:

- Kotak Mahindra Equity Option Scheme 2007; and
- Kotak Mahindra Equity Option Scheme 2015

Further, pursuant to the Scheme of Amalgamation of ING Vysya Bank (IVBL) with the Bank, the Bank has renamed and adopted the ESOP Schemes of the erstwhile IVBL, as given below:

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

The fair value of the option is determined using a Black-Scholes options pricing model.

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In pursuance of the above referred Employees Stock Option Schemes, the Bank has granted stock options to employees of the Company. As per the regulatory guideline, the Bank has started recovering fair value computed as per Black-Scholes method for all stock options granted after 31st March, 2021. In accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the Guidance Note on "Accounting for Employee Share-based payments" issued by The Institute of Chartered Accountants of India, the intrinsic value (for options granted on or before 31st March 2021)/ fair value of the option is amortised on a straight-line basis over the vesting period. The Company has reimbursed the Bank ₹ 34.91 lakh (Previous Year ₹ 22.55 lakh) during the year on account of such costs and the same is forming part of Employee costs and included under the head "Reimbursement of expense on ESOP cost" under Note no 29 i.e "Employee benefits expense".

Had the Company recorded the compensation cost computed on the basis of Fair Valuation method instead of intrinsic value method, employee compensation cost would have been higher by ₹ 0.10 Lacs, (Previous year ₹ 5.27 Lacs) and the profit after tax would have been lower by ₹ 0.07 Lacs (Previous year ₹ 3.94 Lacs). Consequently the basic and diluted EPS would have been ₹ 0.00 per share (Previous Year ₹ 0.01 per share).

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

Scheme Reference	Grant Date	Method of Settlement Accounting	31 st March, 2024			31 st March, 2023		
			No of Share Options outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)	No of Share Options outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)
ESOP 2015-14	18-May-18	Equity settled	-	-	-	-	30% - 1 yr service 30% - 2 yr service 20% - 3 yr service 20% - 4 yr service	4.12
ESOP 2015-19	20-May-19	Equity settled	-	-	-	1,308	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	368	30% - 1 yr service 30% - 2 yr service 20% - 3 yr service 20% - 4 yr service	3.90	2,334	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	2,436	25% - 1 yr service 25% - 2 yr service 25% - 3 yr service 25% - 4 yr service	4.59	4,133	25% - 1 yr service 25% - 2 yr service 25% - 3 yr service 25% - 4 yr service	4.59
ESOP 2015-34	10-May-22	Equity settled	2,655	25% - 1 yr service 25% - 2 yr service 25% - 3 yr service 25% - 4 yr service	4.56	3,540	25% - 1 yr service 25% - 2 yr service 25% - 3 yr service 25% - 4 yr service	4.56
ESOP 2015-39	18-Oct-22	Equity settled	8,840	25% - 1 yr service 25% - 2 yr service 25% - 3 yr service 25% - 4 yr service	4.54	8,840	25% - 1 yr service 25% - 2 yr service 25% - 3 yr service 25% - 4 yr service	4.54
ESOP 2015-40	2-May-23	Equity settled	5,210	25% - 1 yr service 25% - 2 yr service 25% - 3 yr service 25% - 4 yr service	4.67	-	-	-



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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	Exercise period	Expected life (Years)	Exercise Price (₹)	Market price (₹)	Risk free rate	Annual Dividend yield	Volatility	Fair value per share options (₹)
ESOP2015-25	8/7/2020	1.07	0.50	1.31	1,341.00	1,340.10	3.61%	0.06%	39.75%	267.12
ESOP2015-25	8/7/2020	2.32	0.50	2.56	1,341.00	1,340.10	4.40%	0.06%	33.09%	340.57
ESOP2015-25	8/7/2020	2.90	0.50	3.15	1,341.00	1,340.10	4.85%	0.06%	30.71%	370.15
ESOP2015-25	8/7/2020	3.40	0.50	3.65	1,341.00	1,340.10	5.06%	0.06%	29.29%	395.03
ESOP2015-30	5/30/2021	1.08	0.50	1.34	1,801.00	1,800.75	4.05%	0.05%	42.76%	390.94
ESOP2015-30	5/30/2021	2.08	0.50	2.34	1,801.00	1,800.75	4.65%	0.05%	35.50%	463.58
ESOP2015-30	5/30/2021	3.09	0.50	3.34	1,801.00	1,800.75	5.13%	0.05%	32.78%	545.46
ESOP2015-30	5/30/2021	4.09	0.50	4.34	1,801.00	1,800.75	5.53%	0.05%	29.80%	609.04
ESOP2015-34	5/10/2022	1.06	0.50	1.31	1,798.00	1,767.50	5.75%	0.06%	27.72%	268.84
ESOP2015-34	5/10/2022	2.06	0.50	2.31	1,798.00	1,767.50	6.37%	0.06%	36.85%	481.85
ESOP2015-34	5/10/2022	3.06	0.50	3.31	1,798.00	1,767.50	7.05%	0.06%	33.04%	569.44
ESOP2015-34	5/10/2022	4.06	0.50	4.31	1,798.00	1,767.50	7.26%	0.06%	31.40%	654.77
ESOP 2015-39	10/18/2022	1.04	0.50	1.28	1,834.00	1,858.15	7.01%	0.06%	26.77%	315.30
ESOP 2015-39	10/18/2022	2.04	0.50	2.29	1,834.00	1,858.15	7.28%	0.06%	28.10%	462.59
ESOP 2015-39	10/18/2022	3.04	0.50	3.29	1,834.00	1,858.15	7.37%	0.06%	33.60%	633.94
ESOP 2015-39	10/18/2022	4.04	0.50	4.29	1,834.00	1,858.15	7.52%	0.06%	31.76%	721.39
ESOP2015-40	5/2/2023	1.16	0.50	1.42	1,939.00	1,938.05	7.05%	0.08%	23.45%	307.85
ESOP2015-40	5/2/2023	2.16	0.50	2.42	1,939.00	1,938.05	7.03%	0.08%	24.79%	446.99
ESOP2015-40	5/2/2023	3.16	0.50	3.42	1,939.00	1,938.05	7.10%	0.08%	32.42%	643.38
ESOP2015-40	5/2/2023	4.16	0.50	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	Exercise period	Expected life (Years)	Exercise Price (₹)	Market price (₹)	Risk free rate	Annual Dividend yield	Volatility	Fair value per share options (₹)
ESOP 2015-14	5/18/2018	1.20	0.50	1.45	1,271.00	1,270.70	7.44%	0.06%	18.68%	184.60
ESOP 2015-14	5/18/2018	2.46	0.50	2.71	1,271.00	1,270.70	7.83%	0.06%	32.95%	383.29
ESOP 2015-14	5/18/2018	3.12	0.50	3.37	1,271.00	1,270.70	7.97%	0.06%	32.13%	433.45
ESOP 2015-14	5/18/2018	3.62	0.50	3.87	1,271.00	1,270.70	7.99%	0.06%	31.43%	465.70
ESOP 2015-19	5/20/2019	1.20	0.50	1.45	1,460.00	1,460.00	6.63%	0.05%	23.24%	230.35
ESOP 2015-19	5/20/2019	2.45	0.50	2.70	1,460.00	1,460.00	6.83%	0.05%	21.16%	330.89
ESOP 2015-19	5/20/2019	3.12	0.50	3.37	1,460.00	1,460.00	6.94%	0.05%	21.32%	387.19
ESOP 2015-19	5/20/2019	3.62	0.50	3.87	1,460.00	1,460.00	7.03%	0.05%	31.00%	508.28
ESOP 2015-25	8/7/2020	1.07	0.50	1.31	1,341.00	1,340.10	3.61%	0.06%	39.75%	267.12
ESOP 2015-25	8/7/2020	2.32	0.50	2.56	1,341.00	1,340.10	4.40%	0.06%	33.09%	340.57
ESOP 2015-25	8/7/2020	2.90	0.50	3.15	1,341.00	1,340.10	4.85%	0.06%	30.71%	370.15
ESOP 2015-25	8/7/2020	3.40	0.50	3.65	1,341.00	1,340.10	5.06%	0.06%	29.29%	395.03
ESOP 2015-30	5/30/2021	1.08	0.50	1.34	1,801.00	1,800.75	4.05%	0.05%	42.76%	390.94
ESOP 2015-30	5/30/2021	2.08	0.50	2.34	1,801.00	1,800.75	4.65%	0.05%	35.50%	463.58
ESOP 2015-30	5/30/2021	3.09	0.50	3.34	1,801.00	1,800.75	5.13%	0.05%	32.78%	545.46
ESOP 2015-30	5/30/2021	4.09	0.50	4.34	1,801.00	1,800.75	5.53%	0.05%	29.80%	609.04
ESOP 2015-34	5/10/2022	1.06	0.50	1.31	1,798.00	1,767.50	5.75%	0.06%	27.72%	268.84
ESOP 2015-34	5/10/2022	2.06	0.50	2.31	1,798.00	1,767.50	6.37%	0.06%	36.85%	481.85
ESOP 2015-34	5/10/2022	3.06	0.50	3.31	1,798.00	1,767.50	7.05%	0.06%	33.04%	569.44
ESOP 2015-34	5/10/2022	4.06	0.50	4.31	1,798.00	1,767.50	7.26%	0.06%	31.40%	654.77
ESOP 2015-39	10/18/2022	1.04	0.50	1.28	1,834.00	1,858.15	7.01%	0.06%	26.77%	315.30
ESOP 2015-39	10/18/2022	2.04	0.50	2.29	1,834.00	1,858.15	7.28%	0.06%	28.10%	462.59
ESOP 2015-39	10/18/2022	3.04	0.50	3.29	1,834.00	1,858.15	7.37%	0.06%	33.60%	633.94
ESOP 2015-39	10/18/2022	4.04	0.50	4.29	1,834.00	1,858.15	7.52%	0.06%	31.76%	721.39

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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

Particular	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	1,308	-	(900)	-	(408)	-	-	-
ESOP 2015-25	7-Aug-20	2,334	-	(1,350)	(392)	(224)	-	368	368
ESOP 2015-30	30-May-21	4,133	-	(900)	(480)	(317)	-	2,436	-
ESOP 2015-34	10-May-22	3,540	-	(105)	-	(780)	-	2,655	-
ESOP 2015-39	18-Oct-22	8,840	-	-	-	-	-	8,840	2,210
ESOP 2015-40	2-May-23	-	5,210	-	-	-	-	5,210	-
		20,155	5,210	(3,255)	(872)	(1,729)	-	19,509	2,578

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	1,764	-	(1,580)	358	(542)	-	-	-
ESOP 2015-19	20-May-19	3,617	-	(3,125)	1,428	(612)	-	1,308	1,308
ESOP 2015-25	7-Aug-20	2,072	-	(522)	784	-	-	2,334	702
ESOP 2015-30	30-May-21	4,840	-	(740)	670	(637)	-	4,133	-
ESOP 2015-34	10-May-22	-	3,540	-	-	-	-	3,540	-
ESOP 2015-39	18-Oct-22	-	8,840	-	-	-	-	8,840	-
		12,293	12,380	(5,967)	3,240	(1,791)	-	20,155	2,010

* This represents transfer of employees within Bank and its subsidiaries

The weighted average share price at the date of exercise for stock options exercised during the year was ₹ 1,859.50 (Previous year: ₹ 1833.43).

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

ESOP Scheme	Range of exercise prices (₹)	31 st March, 2024			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 2015-25	1301-1400	368	0.25	1,341.00	2,334	1.25	1,341.00
ESOP 2015-19	1401-1500	-	-	-	1,308	0.25	1,460.00
ESOP 2015-30	1801-1900	2,436	1.75	1,801.00	4,133	2.75	1,801.00
ESOP 2015-34	1701-1800	2,655	2.67	1,798.00	3,540	3.67	1,798.00
ESOP 2015-39	1801-1900	8,840	3.08	1,834.00	8,840	3.67	1,834.00
ESOP 2015-40	1901-2000	5,210	3.75	1,939.00	-	-	-



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NOTE 40 SHARE-BASED PAYMENT ARRANGEMENTS

DESCRIPTION OF SHARE-BASED PAYMENT ARRANGEMENTS

Stock Appreciation Rights (cash-settled)

At the General Meeting on 29th June, 2015 of the holding company, Kotak Mahindra Bank Limited, the shareholders of the Bank had passed Special Resolution to grant stock appreciation rights (SARs) to the eligible employees of the Bank, its subsidiaries and associate companies. Pursuant to this resolution, Kotak Mahindra Stock Appreciation Rights Scheme 2015 had been formulated and adopted. Subsequently, the SARs have been granted under this scheme. The contractual life (which is equivalent to the vesting period) of the SARs outstanding ranges from 1.07 to 4.21 years.

(₹ in Lakh)

Scheme Reference	Grant Date	Method of Settlement Accounting	31 st March, 2024			31 st March, 2023		
			No. of SARs outstanding	Vesting conditions/ dates	Contractual life of options (yrs)	No. of SARs outstanding	Vesting conditions/ dates	Contractual life of options (yrs)
Scheme 2015-28 (Series 28)	7-Aug-20	Cash settled	-	-	-	492	30% - 2021-22 30% - 2022-23 40% - 2023-24	3.44
Scheme 2015-31 (Series 31)	7-Aug-20	Cash settled	4,772	50% - 2023-24 50% - 2024-25	4.11	11,930	50% - 2023-24 50% - 2024-25	4.11
Scheme 2015-32 (Series 32)	30-May-21	Cash settled	1,164	25% - 2022-23 25% - 2023-24 25% - 2024-25 25% - 2025-26	4.13	1,870	25% - 2022-23 25% - 2023-24 25% - 2024-25 25% - 2025-26	4.13
Scheme 2015-40 (Series 40)	10-May-22	Cash settled	8,787	25% - 2023-24 25% - 2024-25 25% - 2025-26 25% - 2026-27	4.10	12,520	25% - 2023-24 25% - 2024-25 25% - 2025-26 25% - 2026-27	4.10
Scheme 2015-51 (Series 51)	18-Oct-22	Cash settled	2,040	25% - 2023-24 25% - 2024-25 25% - 2025-26 25% - 2026-27	4.08	2,720	25% - 2023-24 25% - 2024-25 25% - 2025-26 25% - 2026-27	4.08
Scheme 2015-55 (Series 55)	2-May-23	Cash settled	9,480	25% - 2024-25 25% - 2025-26 25% - 2026-27 25% - 2027-28	4.21	-	-	-

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 (₹)	Weighted average share price	Risk free rate	Annual Dividend yield	Volatility	Fair value per SARs (₹)
Scheme 2015-31 (Series 31)	7-Aug-20	0.42 to 0.46	0.42 to 0.46	-	1,785.50	7.11% to 7.14%	0.08%	17.44% to 17.79%	1784.81 to 1784.87
Scheme 2015-32 (Series 32)	30-May-21	0.25 to 1.29	0.25 to 1.29	-	1,785.50	7.02% to 7.07%	0.08%	17.28% to 19.24%	1783.57 to 1785.13
Scheme 2015-40 (Series 40)	10-May-22	0.17 to 2.21	0.17 to 2.21	-	1,785.50	6.97% to 7.14%	0.08%	17.54% to 20.94%	1782.19 to 1785.25
Scheme 2015-51 (Series 51)	18-Oct-22	0.59 to 2.62	0.59 to 2.62	-	1,785.50	7.09% to 7.17%	0.08%	16.61% to 22.25%	1781.57 to 1784.62
Scheme 2015-55 (Series 55)	2-May-23	0.25 to 3.29	0.25 to 3.29	-	1,785.50	7.02% to 7.18%	0.08%	17.28% to 22.98%	1780.57 to 1785.13

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As at 31st March, 2023

Scheme	Grant Date	Vesting period	Expected life (Years)	Exercise Price (₹)	Weighted average share price	Risk free rate	Annual Dividend yield	Volatility	Fair value per SARs (₹)
Scheme 2015-28 (Series 28)	7-Aug-20	0.25 to 0.79	0.25 to 0.79	-	1,721.05	7.00% to 7.32%	0.06%	15.63% to 19.61%	1720.18 to 1720.77
Scheme 2015-31 (Series 31)	7-Aug-20	0.42 to 1.46	0.42 to 1.46	-	1,721.05	7.16% to 7.21%	0.06%	15.02% to 24.82%	1719.44 to 1720.59
Scheme 2015-32 (Series 32)	30-May-21	0.25 to 2.29	0.25 to 2.29	-	1,721.05	7.00% to 7.27%	0.06%	15.63% to 24.95%	1718.53 to 1720.77
Scheme 2015-40 (Series 40)	10-May-22	0.17 to 3.21	0.17 to 3.21	-	1,721.05	6.92% to 7.29%	0.06%	16.59% to 33.18%	1717.52 to 1720.87
Scheme 2015-51 (Series 51)	18-Oct-22	0.59 to 3.63	0.59 to 3.63	-	1,721.05	7.18% to 7.31%	0.06%	17.38% to 32.21%	1717.06 to 1720.4

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

Particular	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 reference	Grant date	As at 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
2015-28 (Series 28)	7-Aug-20	492	-	(440)	(52.00)	-	-	-
2015-31 (Series 31)	7-Aug-20	11,930	-	(7,158)	-	-	-	4,772
2015-32 (Series 32)	30-May-21	1,870	-	(620)	(86.00)	-	-	1,164
2015-40 (Series 40)	10-May-22	12,520	-	(3,133)	(600.00)	-	-	8,787
2015-51 (Series 51)	18-Oct-22	2,720	-	(680)	-	-	-	2,040
2015-55 (Series 55)	2-May-23	-	10,380.00	-	(900.00)	-	-	9,480
		29,532	10,380	(12,031)	(1,638)	-	-	26,243

Scheme reference	Grant date	As at 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
2015-22 (Series 22)	20-May-19	1,644	-	(1,812)	168	-	-	-
2015-28 (Series 28)	7-Aug-20	658	-	(369)	203	-	-	492
2015-31 (Series 31)	7-Aug-20	11,930	-	-	-	-	-	11,930
2015-32 (Series 32)	30-May-21	2,310	-	(620)	180	-	-	1,870
2015-40 (Series 40)	10-May-22	-	12,520	-	-	-	-	12,520
2015-51 (Series 51)	18-Oct-22	-	2,720	-	-	-	-	2,720
		16,542	15,240	(2,801)	551	-	-	29,532

* This represents transfer of employees within Bank and its subsidiaries



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

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Total Employee compensation cost pertaining to share-based payment plans	259.06	238.89
Compensation cost pertaining to equity-settled employee share-based payment plan included above	34.91	106.19
Closing balance of liability for cash-settled options	287.37	292.05
Total intrinsic value of liabilities for vested benefits	224.15	155.24

NOTE 41 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

41.1 ACCOUNTING CLASSIFICATION

Carrying amounts of financial assets and financial liabilities, 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			
	Amortised Cost	FVTOCI	FVTPL	Totals	Amortised Cost	FVTOCI	FVTPL	Totals
Financial assets								
Cash and cash equivalents	13,030.30	-	-	13,030.30	40,198.16	-	-	40,198.16
Bank Balance other than cash and cash equivalents	1,091.91	-	-	1,091.91	90.83	-	-	90.83
Derivative financial instruments	-	-	-	-	-	-	982.52	982.52
Loans	3,442,803.82	-	-	3,442,803.82	2,674,138.24	-	-	2,674,138.24
Investments	25,002.11	605,531.51	36,043.58	666,577.20	184,146.98	440,313.59	34,986.82	659,447.39
Other financial assets	3,330.15	-	-	3,330.15	1,752.95	-	-	1,752.95
Total	3,485,258.29	605,531.51	36,043.58	4,126,833.38	2,900,327.16	440,313.59	35,969.34	3,376,610.09
Financial liabilities								
Payables:								
Trade Payables	45,748.16	-	-	45,748.16	52,612.82	-	-	52,612.82
Debt securities	1,765,287.58	-	-	1,765,287.58	1,517,434.56	-	-	1,517,434.56
Borrowings (other than debt securities)	1,060,794.70	-	-	1,060,794.70	732,116.06	-	-	732,116.06
Deposits	239.01	-	-	239.01	177.49	-	-	177.49
Subordinated Liabilities	10,261.48	-	-	10,261.48	14,376.15	-	-	14,376.15
Other financial liabilities	6,997.19	-	-	6,997.19	8,060.13	-	-	8,060.13
Total	2,889,328.12	-	-	2,889,328.12	2,324,777.21	-	-	2,324,777.21

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41.2 FAIR VALUE HIERARCHY

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

(₹ in lakh)

Particulars	Fair value							
	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								
Financial assets								
Investments at FVTPL								
- Mutual funds	4,806.36	-	-	4,806.36	-	-	-	-
- Debentures	-	-	-	-	-	19,972.99	-	19,972.99
- Alternate Investment fund*	-	31,237.22	-	31,237.22	-	-	15,013.83	15,013.83
- Derivative financial instruments	-	-	-	-	-	982.52	-	982.52
	4,806.36	31,237.22	-	36,043.58	-	20,955.51	15,013.83	35,969.34
Investments at FVOCI								
- Government securities & Tbills	268,109.14	-	-	268,109.14	173,026.07	-	-	173,026.07
- Debentures	-	-	-	-	-	22,258.75	-	22,258.75
- Equity instruments	-	337,422.37	-	337,422.37	-	245,028.77	-	245,028.77
	268,109.14	337,422.37	-	605,531.51	173,026.07	267,287.52	-	440,313.59
Total	272,915.50	368,659.59	-	641,575.09	173,026.07	288,243.03	15,013.83	476,282.93

*Investment in AIF has been transferred to level 2 hierarchy during the year.

Fair values of financial assets and financial liabilities not measured at fair value, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in lakh)

Particulars	Fair value				
	As at 31 st March, 2024				Carrying Value
	Level 1	Level 2	Level 3	Total	
Financial assets					
Loans	-	-	3,417,499.28	3,417,499.28	3,442,803.82
Investments	-	25,431.68	-	25,431.68	25,002.11
Other financial assets	-	-	241.46	241.46	291.41
Total	-	25,431.68	3,417,740.74	3,443,172.42	3,468,097.34
Financial liabilities					
Debt securities	-	2,013,905.54	-	2,013,905.54	1,765,287.58
Borrowings (Other than Debt Securities)	-	1,114,232.12	-	1,114,232.12	1,060,794.70
Subordinated Liabilities	-	11,448.53	-	11,448.53	10,261.48
Total	-	3,139,586.19	-	3,139,586.19	2,836,343.76

(₹ in lakh)

Particulars	Fair Value				
	As at 31 st March, 2023				Carrying Value
	Level 1	Level 2	Level 3	Total	
Financial assets					
Loans	-	-	2,657,358.16	2,657,358.16	2,674,138.24
Investments	-	182,838.60	-	182,838.60	184,146.98
Other financial assets	-	-	170.76	170.76	-
Total	-	182,838.60	2,657,528.92	2,840,367.52	2,858,285.23
Financial liabilities					
Debt securities	-	1,466,376.38	-	1,466,376.38	1,517,434.56
Borrowings (Other than Debt Securities)	-	730,754.56	-	730,754.56	732,116.06
Subordinated Liabilities	-	13,424.57	-	13,424.57	14,376.15
Total	-	2,210,555.51	-	2,210,555.51	2,263,926.77



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Fair value of financial assets and liabilities measured at amortised cost

(₹ in lakh)

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Loans				
Vehicle finance loan	2,859,041.49	2,814,158.72	2,244,068.37	2,208,212.02
Structured loan	57,155.43	54,729.55	154,108.09	151,059.72
Personal loan	137,090.81	137,152.75	89,271.04	90,585.43
Other Lending Activities	389,516.09	411,458.26	186,690.75	207,500.99
Investments				
Debentures	25,002.11	25,431.68	184,146.98	182,838.60
Other financial assets				
Lease deposits	291.41	241.46	218.31	170.76
Total	3,468,097.34	3,443,172.42	2,858,503.54	2,840,367.52
Financial liabilities				
Debt securities	1,765,287.58	2,013,905.54	1,517,434.56	1,466,376.38
Borrowings (other than debt securities)	1,060,794.70	1,114,232.12	732,116.06	730,754.56
Subordinated Liabilities	10,261.48	11,448.53	14,376.15	13,424.57
Total	2,836,343.76	3,139,586.19	2,263,926.77	2,210,555.52

The carrying amounts of Cash and cash equivalents, Bank Balance other than cash and cash equivalent, CBLO lending, loan to employees (amounting to ₹ 111.07 lakh, net of ECL), other deposits, other receivables, trade payables, deposits and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

41.3 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 : Level 1 hierarchy includes financial instruments measured using unadjusted quoted prices in active markets that the Company has the ability to access for the identical assets or liabilities. A financial instrument is classified as a Level 1 measurement if it is listed on an exchange. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued at the closing Net Asset Value (NAV).

Level 2 : The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial instrument but do not qualify as Level 1 inputs. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based in observable market data, the instruments is included in level 3. That is, Level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The Company develops Level 3 inputs based on the best information available in the circumstances.

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.

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41.3.1 Financial instruments valued at carrying value

Instrument type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment in equity instruments (Classified as level 2)	<p>Comparable Companies Multiple Method: Under this method the value of shares/business of a company is determined based on market multiples of publicly traded comparable companies.</p> <p>Comparable Transaction multiple method: Under this method the value of shares/business of a company is determined based on market multiples of publicly disclosed transactions in the similar segment as that of the company being valued.</p> <p>Cost Approach: Break Up Value method has been adopted for valuation of equity shares. One or combination of the above has been used for valuation of equity instruments</p>	Not applicable	Not applicable
Investment in debentures (Classified as level 2)	The fair values of unlisted Debt Securities have been calculated using the discounted cash flow approach. The discounted rates are based on the rating and residual tenure published by Financial Benchmarks India Private Limited (FIBIL).	Not applicable	Not applicable
Derivative financial instrument (Classified as level 2)	The fair values have been calculated based on discounted cash flow model. The discount rates are based on tenure specific OIS (Overnight Index Swap) rate as published by Financial Benchmarks India Private Limited (FIBIL)	Not applicable	Not applicable
Investment in Alternate Funds (Classified as level 2)	Units held in funds of AIF are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 2. NAV represents the price at which the issuer will issue further units of AIF, and the price at which issuers will redeem such units from the investors.	Not applicable	Not applicable

41.3.2 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 using actual or estimated yields and consequently for the purposes of level disclosures categorized under Level 3. Fair value of Level 3 loans would decrease/(increase) in value depending on increase/(decrease) in discount rate. For impaired loan, the amortised cost is taken as fair value.
Lending through Pass Through Certificates (PTC)	The fair values have been calculated using the discounted cash flow approach discounted at a rate that reflects the credit risk of various counter parties.
Debt securities, Borrowings other than debt securities and Subordinated liabilities	The fair values of the Company's Debt securities, Borrowings other than debt securities and Subordinated liabilities are calculated based on a discounted cash flow model. The discount rates are based on risk-free rate plus yield curves appropriate for the remaining maturities of the instruments as published by Financial Benchmarks India Private Limited (FIBIL)
Security Deposits	The fair values have been calculated using the discounted cash flow approach discounted at a rate from observable inputs i.e. Kotak Mahindra Bank Limited MCLR.

Transfers between Level 1 and Level 2

There were no significant changes in the classification and no significant movements between the fair value hierarchy classifications of assets and liabilities during FY 2023-24.



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41.3.3 Level 3 fair values measurement

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

(₹ in lakh)

Instrument type	As at 1 st April, 2023	Purchases	Sales / Settlements	Gain/(Loss) recognised in profit or loss	Gains recognised in OCI	Transfers in/ (out)	As at 31 st March, 2024
Investment in Alternate investment fund *	15,013.83	-	-	-	-	(15,013.83)	-

(₹ in lakh)

Instrument type	As at 1 st April, 2022	Purchases	Sales / Settlements	Gain/(Loss) recognised in profit or loss	Gains recognised in OCI	Transfers in/ (out)	As at 31 st March, 2023
Investment in Alternate investment fund	-	15,013.83	-	-	-	-	15,013.83

*Investment in AIF has been transferred to level 2 hierarchy during the year.

41.3.4 Sensitivity analysis of Level 3 financial instruments measured at fair value

Although the Company believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. As per practice followed by the Company, these investments are fair valued after six months of investments. Given that the investment in alternate fund were made in last six months as at 31st March, 2023, these are valued at cost as on 31st March, 2023. Further as on 31 March, 2024, these investments have been valued at Net Assets Value (NAV) and hence transferred to level 2 of the fair value hierarchy.

41.3.5 Financial Risk Management

The Company's activities expose it to a variety of risks namely:

- Credit risk ;
- Liquidity risk ; and
- Market risk

41.3.5.1 Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee.

The Risk Management committee of Board exercises supervisory power in connection with the risk management of the company, developing and monitoring risk management policies, monitoring of the exposures, reviewing adequacy of risk management process, ensuring compliance with the statutory/regulatory framework of the risk management process.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

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The note below explains the sources of risk which the entity is exposed to and how the entity manages the risk in its financial statements

Instrument type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Credit Risk	Loans, Investments, Trade receivables, Bank balances and other financial assets	Ageing analysis, Credit Rating	<p>The company has setup policies for credit risk management and mitigation.</p> <p>The company has laid out process for credit evaluation for all its customers. For retail business, customer profiles are reviewed/assessed based on financial strength, leverage etc. For other than retail business, the lending proposals are subjected to thorough assessment of promoters, group financial strength and leverage, operational and financial performance track record, cash flows, valuation of collateral.</p> <p>The exposures are subjected to regular monitoring through various parameters i.e. days past due, cash flows, inventory audit, collateral cover, value of underlying capital market securities.</p> <p>The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual customers and customer group and by monitoring exposures in relation to such limits."</p>
Liquidity Risk	Debt securities, Borrowings other than debt securities, Subordinated liabilities, Trade payables and other financial liabilities	Cash flow forecasts	<p>"Board of Directors (the Board) of the Company defines its liquidity risk management strategy and sets the overall policy and risk tolerances.</p> <p>In order to manage/mitigate liquidity risk, in addition to regulatory limits on liquidity gaps, the Company has also defined prudential internal limit for Liquidity Gap tolerance for its time bucket which is approved by the Board.</p> <p>Treasury is responsible for managing liquidity under the liquidity risk management framework as approved by the Board.</p> <p>ALCO is responsible for ensuring adherence to the risk tolerance/limits set by the Board.</p> <p>Liquidity risk management strategies and practices are reviewed to align with changes to the external environment, including regulatory changes, business conditions and market developments. Actual and anticipated cash flows generated are monitored to ensure compliance with limits.</p>
Market risk			
a. Foreign currency risk	Financial liabilities not denominated in INR	Cash flow forecasts, Sensitivity Analysis	Not applicable as on 31 March, 2024.
b. Interest rate risk	Financial assets and liabilities at variable rates	Sensitivity Analysis, Interest rate movements	<p>Board of Directors (the Board) of the Company is the guiding body for management of its interest rate risk and sets the overall policy and risk limits.</p> <p>In order to manage/mitigate interest rate risk, the Company has defined Interest Rate Sensitive Gap tolerance limits for each time bucket which is approved by the Board. Treasury is entrusted with the responsibility of managing interest rate risk within the prescribed overall risk limits and the same is monitored by ALCO.</p> <p>Further, the Company undertakes NII analysis to assess the impact of changes in interest rate on the earnings of the Company.</p>

41.4 CREDIT RISK

Credit risk is the risk of actual or probable 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 now or in future.

The sanction and renewal of any credit facility to a particular borrower requires appropriate credit approval by concerned authority. The appropriate authority has been entrusted with the task of verifying the credentials of the customer as per set processes and guidelines. The Company manages and controls



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credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for Group of Counterparties and by monitoring exposures in relation to such limits. Credit worthiness of borrowers is regularly reviewed and monitored by line credit risk managers, who are responsible for maintaining the portfolio quality as per given risk – return targets. Further the company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. The credit quality review process aims to allow the company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The Company adheres to high standards of credit risk management and mitigation. The lending proposals are subjected to thorough assessment of promoters; group financial strength and leverage; operational & financial performance track record; cash flows; valuation of collateral (real estate - considering status of approvals, market benchmarking & current going rates; corporates – considering capital market trend / cash flows / peer comparison as applicable).

The exposures are subjected to regular monitoring of (project operating performance, cash flows, security cover; corporates – exposures backed by listed securities, security cover is regularly monitored). The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for Group of Counterparties and by monitoring exposures in relation to such limits.

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
Cash and cash equivalents	13,034.17	40,213.08
Bank balance other than cash and cash equivalents	1,092.12	90.85
Loans *		
- Vehicle Finance	2,920,790.45	2,290,007.78
- Structured loans	57,528.80	154,657.47
- Personal loans	143,317.65	94,199.56
- Other Lending Activities	393,038.30	187,946.68
Investments	293,137.27	399,698.42
Other financial assets	3,351.64	1,764.55
Total	3,825,290.40	3,168,578.37

41.4.1 Credit quality analysis

(i) The following table sets out the information about the credit quality of financial assets measured at amortised cost.

(₹ in lakh)

Particulars	As at 31 st March, 2024					As at 31 st March, 2023				
	12-month ECL	Life Time ECL-not Credit Impaired	Life Time ECL- Credit Impaired	Purchased or Originated Credit Impaired (POCI)	Total	12-month ECL	Life Time ECL-not Credit Impaired	Life Time ECL- Credit Impaired	Purchased or Originated Credit Impaired (POCI)	Total
Loans at amortised cost										
Vehicle finance										
Current	2,709,707.82	16,856.31	860.92	-	2,727,425.05	2,080,578.78	47,568.24	786.43	-	2,128,933.45
Past due 1–30 days	64,704.47	8,573.84	1,230.57	-	74,508.88	60,966.65	9,590.79	1,184.23	-	71,741.66
Past due 31–60 days	-	33,382.74	3,317.17	-	36,699.91	39.49	26,814.20	3,690.72	-	30,544.41
Past due 61–90 days	-	7,723.25	6,546.01	-	14,269.26	-	4,124.39	6,012.99	-	10,137.38
Past due 91 days	-	-	67,887.35	-	67,887.35	-	-	48,650.88	-	48,650.88
Gross carrying value	2,774,412.29	66,536.14	79,842.02	-	2,920,790.45	2,141,584.92	88,097.62	60,325.25	-	2,290,007.78
Impairment loss allowance	(12,464.14)	(5,651.70)	(44,787.85)	1,154.72	(61,748.97)	(10,137.38)	(5,468.77)	(33,097.98)	2,764.72	(45,939.41)
Carrying amount	2,761,948.15	60,884.44	35,054.17	1,154.72	2,859,041.48	2,131,447.54	82,628.85	27,227.27	2,764.72	2,244,068.37

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Particulars	As at 31 st March, 2024					As at 31 st March, 2023				
	12-month ECL	Life Time ECL-not Credit Impaired	Life Time ECL- Credit Impaired	Purchased or Originated Credit Impaired (POCI)	Total	12-month ECL	Life Time ECL-not Credit Impaired	Life Time ECL- Credit Impaired	Purchased or Originated Credit Impaired (POCI)	Total
Structured loans *										
Current	55,639.62	-	-	-	55,639.62	154,449.84	-	-	-	154,449.84
Past due 1-30 days	1,667.36	-	-	-	1,667.36	-	-	-	-	-
Past due 31-60 days	-	-	-	-	-	-	-	-	-	-
Past due 61-90 days	-	-	-	-	-	-	-	-	-	-
Past due 91 days	-	-	221.82	-	221.82	-	-	207.63	-	207.63
Gross carrying value	57,306.98	-	221.82	-	57,528.80	154,449.84	-	207.63	-	154,657.47
Impairment loss allowance	(151.54)	-	(221.82)	-	(373.36)	(356.00)	-	(193.38)	-	(549.38)
Carrying amount	57,155.44	-	-	-	57,155.44	154,093.84	-	14.25	-	154,108.09
Personal Loans										
Current	130,971.67	320.62	23.00	-	131,315.29	85,065.21	502.89	12.37	-	85,580.46
Past due 1-30 days	2,660.56	221.45	20.69	-	2,902.70	2,565.44	187.47	29.58	-	2,782.48
Past due 31-60 days	-	2,042.28	76.98	-	2,119.26	-	861.83	104.66	-	966.49
Past due 61-90 days	-	605.32	234.51	-	839.83	-	205.38	111.30	-	316.69
Past due 91 days	-	-	6,140.57	-	6,140.57	-	-	4,553.44	-	4,553.44
Gross carrying value	133,632.23	3,189.67	6,495.75	-	143,317.65	87,630.64	1,757.57	4,811.36	-	94,199.57
Impairment loss allowance	(1,012.33)	(420.24)	(4,794.27)	-	(6,226.84)	(738.59)	(275.40)	(3,914.53)	-	(4,928.53)
Carrying amount	132,619.90	2,769.43	1,701.48	-	137,090.81	86,892.05	1,482.17	896.83	-	89,271.04
Others **										
Current	398,270.19	1,048.81	44.64	-	399,363.64	226,245.32	121.44	-	-	226,366.76
Past due 1-30 days	6,883.34	534.99	-	-	7,418.33	3,106.29	-	-	-	3,106.29
Past due 31-60 days	-	1,912.88	76.37	-	1,989.25	-	246.33	31.25	-	277.58
Past due 61-90 days	-	356.64	301.48	-	658.12	-	167.87	-	-	167.87
Past due 91 days	-	-	1,086.90	-	1,086.90	-	-	96.64	-	96.64
Gross carrying value	405,153.53	3,853.32	1,509.39	-	410,516.24	229,351.61	535.64	127.89	-	230,015.14
Impairment loss allowance	(2,145.81)	(803.19)	(598.78)	-	(3,547.78)	(1,117.07)	(123.54)	(42.30)	-	(1,282.92)
Carrying amount	403,007.72	3,050.13	910.61	-	406,968.46	228,234.54	412.10	85.59	-	228,732.23
Investments										
Current	25,028.13	-	-	-	25,028.13	184,440.60	-	-	-	184,440.60
Past due 1-30 days	-	-	-	-	-	-	-	-	-	-
Past due 31-60 days	-	-	-	-	-	-	-	-	-	-
Past due 61-90 days	-	-	-	-	-	-	-	-	-	-
Past due 91 days	-	-	-	-	-	-	-	-	-	-
Gross carrying value	25,028.13	-	-	-	25,028.13	184,440.60	-	-	-	184,440.60
Impairment loss allowance	(26.02)	-	-	-	(26.02)	(293.62)	-	-	-	(293.62)
Carrying amount	25,002.11	-	-	-	25,002.11	184,146.98	-	-	-	184,146.98

*Structured loan includes loan against securities, commercial real estate loans and other structured loans.

**Others includes cash and cash equivalents, bank balance other than cash and cash equivalents, trade receivables, CBLO lending, Inter corporate deposit, Loan to employees, Loan given to trust, Loan against Property and Other financial assets.



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(ii) The following table sets out the information about the credit quality of financial assets measured at Fair value through other comprehensive income (FVOCI).

(₹ in lakh)

Particulars	As at 31 st March, 2024					As at 31 st March, 2023				
	12-month ECL	Life Time ECL-not Credit Impaired	Life Time ECL- Credit Impaired	Purchased or Originated Credit Impaired (POCI)	Total	12-month ECL	Life Time ECL-not Credit Impaired	Life Time ECL- Credit Impaired	Purchased or Originated Credit Impaired (POCI)	Total
Investment in Government securities & Treasury Bills										
Current	268,109.14	-	-	-	268,109.14	195,284.82	-	-	-	195,284.82
Past due 1-30 days	-	-	-	-	-	-	-	-	-	-
Past due 31-60 days	-	-	-	-	-	-	-	-	-	-
Past due 61-90 days	-	-	-	-	-	-	-	-	-	-
Past due 91 days	-	-	-	-	-	-	-	-	-	-
Gross carrying value	268,109.14	-	-	-	268,109.14	195,284.82	-	-	-	195,284.82
Impairment loss allowance	-	-	-	-	-	-	-	-	-	-
Carrying amount	268,109.14	-	-	-	268,109.14	195,284.82	-	-	-	195,284.82

(iii) The following table sets out the information about the credit quality of financial assets measured at Fair value through profit and loss account (FVTPL).

(₹ in lakh)

Particulars	As at 31 st March, 2024					As at 31 st March, 2023				
	12-month ECL	Life Time ECL-not Credit Impaired	Life Time ECL- Credit Impaired	Purchased or Originated Credit Impaired (POCI)	Total	12-month ECL	Life Time ECL-not Credit Impaired	Life Time ECL- Credit Impaired	Purchased or Originated Credit Impaired (POCI)	Total
Investment in debentures*										
Current	-	-	-	-	-	19,972.99	-	-	-	19,972.99
Past due 1-30 days	-	-	-	-	-	-	-	-	-	-
Past due 31-60 days	-	-	-	-	-	-	-	-	-	-
Past due 61-90 days	-	-	-	-	-	-	-	-	-	-
Past due 91 days	-	-	-	-	-	-	-	-	-	-
Gross carrying value	-	-	-	-	-	19,972.99	-	-	-	19,972.99
Impairment loss allowance	-	-	-	-	-	-	-	-	-	-
Carrying amount	-	-	-	-	-	19,972.99	-	-	-	19,972.99

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(iv) The table below shows the credit quality and the exposure to credit risk for loan commitments (Credit conversion factor) :

(₹ in lakh)

Particulars	As at 31 st March, 2024					As at 31 st March, 2023				
	12-month ECL	Life Time ECL-not Credit Impaired	Life Time ECL- Credit Impaired	Purchased or Originated Credit Impaired (POCI)	Total	12-month ECL	Life Time ECL-not Credit Impaired	Life Time ECL- Credit Impaired	Purchased or Originated Credit Impaired (POCI)	Total
Loans										
Vehicle finance	86,785.88	1,940.07	-	-	88,725.95	49,295.01	10,157.61	-	-	59,452.62
Structured loans	455.60	-	-	-	455.60	925.60	-	-	-	925.60
	87,241.48	1,940.07	-	-	89,181.55	50,220.61	10,157.61	-	-	60,378.22

41.4.2 Collaterals held and concentrations of credit risk

Collaterals held

The amount and type of collateral required depends on an assessment of the credit risk of the customer. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The main types of collateral obtained are, as follows:

- For retail lending, hypothecation over vehicles
- For automobile dealership lending, charge over real estate properties, inventory and trade receivables
- For structured lending, charge over real estate properties, pledge of securities.

Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement. In its normal course of business, the Company follows generally acceptable processes (in accordance with law) to get possession of the collateral through the agent appointed. The assets so repossessed are sold on behalf of the customers so as to settle the receivables. Any surplus funds are returned to the customers/obligors. As a result of this practice, the collaterals are not recorded on the balance sheet and not treated as non-current assets held for sale.

Quantitative information of Collateral - Credit impaired assets

(₹ in lakh)

Particulars	Gross value of loans in stage 3	
	As at 31 st March, 2024	As at 31 st March, 2023
Less than 50%	31,680.44	20,496.18
51 to 70%	16,052.04	8,056.56
71 to 90%	21,034.02	13,778.80
91 to 100%	6,167.97	5,976.48
More than 100%	13,134.51	17,164.36
Total	88,068.98	65,472.38

Financial assets received as coverage

Company has received Financial assets as collateral that it is permitted to sell in the absence of default.

At 31st March, 2024, the fair value of financial assets accepted as collateral against Loan that the Company is permitted to sell or repledge in the absence of default was Nil (March 31st, 2023: Nil).

During the year ended on March 31st, 2024, the fair value of financial assets accepted as collateral that had been sold was Nil (Year ended on March 31st, 2023: Nil). The Company adjusts the sales Proceed from carrying amount of loan and is not obliged to return equivalent securities."

Notes

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Concentration of credit risk

The Company monitors concentration of credit risk by line of business in India. The following table shows the concentrations of loans as at year end:-

(₹ in lakh)

	As at 31 st March, 2024	As at 31 st March, 2023
Gross carrying amount	3,514,675.20	2,726,811.48
Concentration by sector		
Corporate	57,528.80	154,657.47
Dealer finance	379,000.70	282,160.14
Employee Loan	111.79	67.96
PTC Loans	6,324.30	20,786.43
Retail		
- Vehicle finance	2,541,789.75	2,007,847.64
- Loans against property	386,602.21	167,092.29
- Personal	143,317.65	94,199.56
	3,514,675.20	2,726,811.49

41.4.3 Amounts arising from ECL

i. Inputs, assumptions and techniques used for estimating impairment

Inputs considered in the ECL model:

The objective of the impairment requirements is to recognize lifetime expected credit losses for all assets for which there have been significant increase in credit risk since initial recognition - whether assessed on an individual or collective basis - considering all reasonable and supportable information, including that which is forward-looking. At each reporting date, it will be assessed whether there has been a significant increase in credit risk (SICR) for assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition.

Assessment of significant increase in credit risk (SICR):

The credit risk on a financial asset of the Company are assumed to have increased significantly since initial recognition when contractual payments are more than 30 days past due. Accordingly the financial assets shall be classified as Stage 2, if on the reporting date, it has been past due for more than 30 days.

In determining whether credit risk has increased significantly since initial recognition, Company uses days past due information, Early Warning Signals (EWS) in terms of unusual events including incidents and frauds, repossession of an asset, etc. and forecast information to assess deterioration in credit quality of a financial asset.

Assumption considered in the ECL model:

-Probability of default" (PD) is defined as the probability of whether the borrowers will default on their obligations in the future. For assets which are in Stage 1, a 12 month PD is required. For Stage 2 assets a lifetime PD is required while Stage 3 assets are considered to have a 100% PD.

- Loss given default" (LGD) is an estimate of loss from a transaction, given that a default occurs.

- Exposure at default" (EAD) represents the expected exposure in the event of a default."

Forward looking information:

The Company incorporates forward looking information into both assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on the consideration of a variety of external actual and forecast information, the Company forms a 'base case' view of the future direction of relevant economic variables such as real GDP, Real/Nominal Wages, Domestic Credit, real personal disposable income, etc. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. The base case represents a most likely outcome while the other scenarios represent more optimistic and more pessimistic outcomes.

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Definition of default

The company combines the exposures into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans. The company categorises loan assets into stages based on the days past due status.

- Stage 1: 0 - 30 days past due

- Stage 2: 31 - 90 days past due & EWS accounts (P.Y. 31 - 89 days past due & EWS accounts)

- Stage 3: 91 days & above past due (P.Y. 90 days & above past due)

The three stages reflect the general pattern of credit deterioration of a financial instrument.

Further, company considers following factors to determine staging for corporate loans

For downgrade from Stage 1 to Stage 2:

- 2 notch downgrade in Internal rating (wherever available) since initial recognition of loan
- 2 notch downgrade in external rating (wherever available) since initial recognition of loan
- Wherever management thinks there is significant increase in credit risk based on the internal assessment.

Policy for write-off of Financial assets

Financial assets are written off when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts.

ii. An analysis of changes in gross carrying amount as follows:

(₹ in lakh)

Particulars	12-month ECL	Life Time ECL-not Credit Impaired	Life Time ECL-Credit Impaired	Purchased or Originated Credit Impaired (POCI)**	Total
Loans *					
Balance as at 31st March, 2022	2,113,311.90	83,890.41	72,950.83	377.56	2,270,530.70
Transfer from 12 month ECL	(125,383.10)	97,244.38	28,138.72	-	-
Transfer from Lifetime ECL not credit impaired	37,606.17	(60,919.07)	23,312.90	-	-
Transfer from Lifetime ECL credit impaired	3,215.37	2,211.62	(5,427.00)	-	-
Net remeasurement #	(416,060.46)	(23,609.28)	(13,828.84)	-	(453,498.58)
New financial assets originated during the year	1,328,459.46	-	-	-	1,328,459.46
Matured or repaid	(370,267.27)	(8,427.22)	(3,157.50)	(377.56)	(382,229.55)
Write-offs	-	-	(36,517.74)	-	(36,517.74)
Balance as at 31st March, 2023	2,570,882.07	90,390.84	65,471.38	-	2,726,744.29
Transfer from 12 month ECL	(102,617.23)	56,950.55	45,666.68	-	-
Transfer from Lifetime ECL not credit impaired	50,723.69	(68,157.91)	17,434.22	-	-
Transfer from Lifetime ECL credit impaired	2,687.61	1,843.34	(4,530.95)	-	-
Net remeasurement	(536,249.12)	(17,323.56)	(2,576.66)	-	(556,149.34)
New financial assets originated during the year	1,695,841.69	17,331.76	7,314.13	-	1,720,487.59
Matured or repaid	(328,353.43)	(7,455.87)	(2,157.77)	-	(337,967.07)
Write-offs	-	-	(38,552.05)	-	(38,552.05)
Balance as at 31st March, 2024	3,352,915.28	73,579.15	88,068.98	-	3,514,563.41

* The above table does not include movement of CBLO lending and Loan to Employees.

Includes impact on account of exposures transferred during the period between stages or impact of changes in items within the same stage.



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iii. Impairment loss allowance

(₹ in lakh)

Particulars	12-month ECL	Life Time ECL-not Credit Impaired	Life Time ECL-Credit Impaired	Purchased or Originated Credit Impaired (POCI)**	Total
Loans *					
Balance as at 31st March, 2022	16,565.54	10,525.70	37,016.42	(5,312.75)	58,794.93
Transfer from 12 month ECL	(5,835.05)	2,955.28	2,879.77	-	-
Transfer from Lifetime ECL not credit impaired	2,861.50	(7,531.39)	4,669.89	-	-
Transfer from Lifetime ECL credit impaired	1,198.96	828.50	(2,027.46)	-	-
Net remeasurement of loss allowance	(11,282.35)	255.15	9,526.64	2,548.03	1,047.47
New financial assets originated during the year	11,356.60	-	-	-	11,356.60
Matured or repaid	(2,560.30)	(1,149.26)	(1,205.97)	-	(4,915.53)
Write-offs	-	-	(13,610.66)	-	(13,610.66)
Balance as at 31st March, 2023	12,304.90	5,883.98	37,248.63	(2,764.72)	52,672.79
Transfer from 12 month ECL	(1,441.25)	629.34	811.91	-	-
Transfer from Lifetime ECL not credit impaired	1,118.44	(4,075.19)	2,956.75	-	-
Transfer from Lifetime ECL credit impaired	934.32	637.95	(1,572.27)	-	-
Net remeasurement of loss allowance	(4,631.50)	2,151.08	22,212.88	1,610.00	21,342.46
New financial assets originated during the year	9,147.26	2,115.14	3,371.10	-	14,633.50
Matured or repaid	(1,680.09)	(471.72)	(971.24)	-	(3,123.05)
Write-offs	-	-	(13,655.05)	-	(13,655.05)
Balance as at 31st March, 2024	15,752.08	6,870.58	50,402.71	(1,154.72)	71,870.65

* The above table does not include movement of CBLO lending and Loan to Employees.

Movement of ECL in other Asset

(₹ in lakh)

Particulars	Trade receivables	CBLO lending	Loan to employees	Investments	Other financial assets	Cash & Cash Equivalents	Bank Balances other than Cash & Cash Equivalents
Balance as at 31st March, 2022	0.08	19.01	0.94	904.78	15.67	21.10	0.01
Addition during the year	-	(19.01)	(0.49)	-	-	(6.17)	0.01
Impairment loss reversed/written back	(0.08)	-	-	(611.16)	(4.08)	-	-
Balance as at 31st March, 2023	-	-	0.45	293.62	11.60	14.92	0.02
Addition during the year	-	-	0.27	(267.60)	9.89	(11.05)	0.19
Impairment loss reversed/written back	-	-	-	-	-	-	-
Balance as at 31st March, 2024	-	-	0.72	26.02	21.49	3.87	0.21

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iv. Bucket wise loan outstanding:

(₹ in lakh)

Particulars- Days past due	As at 31 st March, 2024		As at 31 st March, 2023	
	Count (Nos)	Total amount outstanding	Count (Nos)	Total amount outstanding
Current	945,356	3,296,265.66	745,377	2,553,230.43
1-30 days	28,483	86,497.27	23,781	77,630.01
31-60 days	17,802	40,808.41	14,917	31,788.42
61-90 days	8,680	15,767.22	6,340	10,621.94
Past due 91 days	28,903	75,336.64	22,136	53,540.68
Total	1,029,224	3,514,675.20	812,551	2,726,811.48

41.5 MARKET RISK

Market risk is the risk that earnings or the value of its holding of financial instruments will be adversely affected by changes in market variable such as interest rate, credit spreads, equity prices etc.

The Company is primarily exposed to market risk related to interest rate risk and changes in market variables affecting the market value of its investments in financial instruments. In order to manage/mitigate market risk in its investment portfolio, the Company has defined comprehensive limit-framework including value limit, category limit, holding period limit for its investments, which is approved by the Board.

Treasury is entrusted with the responsibility of managing market risk within the prescribed policy and the same is monitored by ALCO.

41.5.1 Interest Rate Risk

Interest rate risk consists primarily of risk inherent in ALM activities and relates to the potential adverse impact of changes in market interest rates on future net interest income (NII). Interest rate risk arises from mismatches in re-pricing of interest rate sensitive assets (RSA) and rate sensitive liabilities (RSL).

Board of Directors (the Board) of the Company is the guiding body for management of its interest rate risk and sets the overall policy and risk limits. In order to manage/mitigate interest rate risk, the Company has defined Interest Rate Sensitive Gap tolerance limits for each time bucket which is approved by the Board. Treasury is entrusted with the responsibility of managing interest rate risk within the prescribed overall risk limits and the same is monitored by ALCO.

Further, the Company undertakes NII analysis to assess the impact of changes in interest rate on the earnings of the Company.

41.5.1.1 Exposure to interest rate risk

The interest rate profile of the Company's interest bearing financial instruments is as follows.

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Fixed-rate instruments*		
Financial assets	3,646,291.50	3,040,251.98
Financial liabilities	(2,321,031.73)	(2,229,579.57)
Variable-rate instruments*		
Financial assets	480,541.88	336,358.11
Financial liabilities	(568,296.39)	(95,197.63)
Total Net	1,237,505.26	1,051,832.89

41.5.1.2 Fair value sensitivity analysis for fixed-rate instruments

The Company's fixed rate instruments are not measured for interest rate risk, as neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

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41.5.1.3 Cash flow sensitivity analysis for variable-rate

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

(₹ in lakh)

Particulars- Days past due	31 st March, 2024		31 st March, 2023	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Variable rate instruments	(877.55)	877.55	2,411.60	(2,411.60)
Cash Flow Sensitivity	(877.55)	877.55	2,411.60	(2,411.60)

The risk estimates computation assume a parallel shift of 100 basis points interest rate across all yield curves and tenure. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

41.5.2 Currency Risk

The Company is exposed to currency risk on account of its derivative financial instrument 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 as at 31 March 2024 and 31 March 2023 are as below:

(₹ in lakh)

Particulars	31 st March, 2024	31 st March, 2023
Financial liabilities		
Term Loan	-	13,484.92
Derivatives financial instruments	-	929.41
	-	14,414.33

(₹ in lakh)

Particulars	Year-end spot rate	
	31 st March, 2024	31 st March, 2023
USD	NA	82.17

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against the foreign currencies at March 31 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	-	-	-	-
	-	-	-	-

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(₹ in lakh)

Effect in INR	Equity, net of tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31st March, 2023				
USD - 1% Movement	144.14	(144.14)	107.87	(107.87)
	144.14	(144.14)	107.87	(107.87)

41.6 LIQUIDITY RISK

Liquidity risk is the risk that the Company is unable to meet its financial obligations when they fall due without adversely affecting its financial condition. Liquidity risk arises because of mismatches in the timing of the cash flows.

Asset Liability Management Committee (ALCO) of the Company defines its liquidity risk management strategy and sets the overall policy and risk tolerances. In order to manage/mitigate liquidity risk, in addition to regulatory limits on liquidity gaps, the Company has also defined prudential internal limit for Liquidity Gap tolerance for its various time buckets, which is approved by the ALCO. Treasury is responsible for managing liquidity under the prescribed liquidity risk management framework and the same is monitored by ALCO.

Liquidity risk management strategies and practices are reviewed to align with changes to the external environment, including regulatory changes, business conditions and market developments. Actual and anticipated cash flows generated are monitored to ensure compliance with limits.

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 contractual cash flows	0 day to 7 days	8 days to 14 days	15 days to 30/31 days (One month)	Over 1 month upto 2 Month	Over 2 month upto 3 Month	Over 3 month upto 6 Month	Over 6 month upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years
As at 31st March, 2024												
Non-derivative financial liabilities												
Trade and other Payables	45,748.16	45,748.16	-	-	45,748.16	-	-	-	-	-	-	-
Debt securities	1,765,287.58	2,286,084.34	-	-	24,956.61	28,475.13	66,841.25	103,832.49	362,440.61	1,394,740.96	304,797.29	-
Borrowings (Other than Debt Securities)	1,060,794.70	1,125,895.62	45,350.34	17.98	30,017.92	214,686.26	51,696.70	257,323.84	300,647.50	153,274.19	72,880.89	-
Deposits	239.01	261.02	-	-	1.08	-	-	1.59	6.13	153.13	99.09	-
Subordinated Liabilities	10,261.48	13,040.07	-	-	-	-	-	-	-	2,215.07	10,825.00	-
Other Financial Liabilities	6,997.19	7,705.49	476.53	-	2,544.37	53.06	1,282.02	151.60	291.27	1,115.90	820.27	970.47

(₹ in lakh)

Particulars	Carrying amount	Total contractual cash flows	0 day to 7 days	8 days to 14 days	15 days to 30/31 days (One month)	Over 1 month upto 2 Month	Over 2 month upto 3 Month	Over 3 month upto 6 Month	Over 6 month upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years
As at 31st March, 2023												
Non-derivative financial liabilities												
Trade and other Payables	52,612.82	52,612.82	-	-	52,612.82	-	-	-	-	-	-	-
Debt securities	1,517,434.56	1,715,439.50	-	-	29,580.18	22,296.01	9,159.25	131,325.69	491,324.37	907,252.10	124,501.90	-
Borrowings (Other than Debt Securities)	732,116.06	747,124.06	57,500.00	-	5,017.01	128,269.27	66,434.25	238,494.98	169,742.55	41,666.00	40,000.00	-
Deposits	177.49	177.49	3.30	-	-	4.44	0.99	15.62	25.74	45.48	81.92	-
Subordinated Liabilities	14,376.15	18,337.84	-	-	-	-	4,210.58	-	825.00	1,652.26	11,650.00	-
Other Financial Liabilities	8,060.13	8,440.14	177.94	1.17	5,148.62	60.91	947.31	144.36	268.36	724.49	457.09	509.89

Notes

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NOTE 42 CAPITAL DISCLOSURE

As per RBI, NBFCs are required to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of its aggregate risk weighted assets. Further, the total of Tier II capital cannot exceed 100% of Tier I capital at any point of time. The capital management process of the Company ensures to maintain the minimum CRAR at all the times.

The primary objectives of the Company's capital management policy are to ensure that the Company complies with capital requirements required by regulator, maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to fund growth or comply with regulatory capital requirement, Company depends on internal accrual or may raise additional capital. Company may adjust the amount of dividend payment to shareholders or return capital to shareholders.

There has been no change in the objectives and policies guiding capital planning from the previous years, however the same is constantly reviewed by the Board.

(₹ in lakh)

S No.	Particulars	As at 31 st March, 2024	As at 31 st March, 2023
(A)	Debt securities	1,765,287.58	1,517,434.56
	Borrowings (other than debt securities)	1,060,794.70	732,116.06
	Subordinated Liabilities	10,261.48	14,376.15
	Total Debt	2,836,343.76	2,263,926.77
(B)	Total Equity (including all reserves)	1,182,174.74	1,023,923.89
	Debt to equity ratio	2.40	2.22

(₹ in lakh)

S No.	Particulars	As at 31 st March, 2024**	As at 31 st March, 2023**	Variance	Reason for Variance (if above 25%)
(A)	Tier 1 Capital	906,712.50	824,460.26		
	Tier 2 Capital	20,649.67	20,641.32		
	Total Capital Funds	927,362.17	845,101.58		
	Risk weighted assets	3,676,886.06	2,965,390.36		
	Tier 1 Capital ratio	24.66%	27.80%	-11.30%	NA
	Tier 2 Capital ratio	0.56%	0.70%	-19.32%	NA
	Total Capital ratio	25.22%	28.50%	-11.50%	NA

**The unrealised gains on Investments fair valued through Profit or Loss (FVTPL) and fair valued through Other Comprehensive Income (OCI), ROU Assets, etc. has not been considered as part of the regulatory capital. Similarly, carrying value of such investments (net of fair value gains) has been considered to compute net owned funds & risk weighted assets.

For dividend on Equity shares - Refer note 22.2

Notes

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NOTE 43 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

(₹ in lakh)

Particulars	As at 31 st March, 2024			As at 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	13,030.30	-	13,030.30	40,198.16	-	40,198.16
Bank Balance other than cash and cash equivalents	16.56	1,075.35	1,091.91	69.56	21.27	90.83
Derivative financial instruments	-	-	-	944.35	38.17	982.52
Loans	1,390,064.21	2,052,739.61	3,442,803.82	1,114,244.71	1,559,893.54	2,674,138.24
Investments	285,281.97	381,295.23	666,577.20	368,780.75	290,666.65	659,447.39
Other Financial assets	2,223.40	1,106.75	3,330.15	593.13	1,159.82	1,752.95
Sub total	1,690,616.44	2,436,216.94	4,126,833.38	1,524,830.65	1,851,779.44	3,376,610.09
Non-financial assets						
Current Tax assets (Net)	-	6,671.08	6,671.08	-	11,163.28	11,163.28
Deferred Tax Assets (Net)	-	14,339.38	14,339.38	-	11,985.54	11,985.54
Investment Property	-	1,963.06	1,963.06	-	2,008.39	2,008.39
Property, Plant and Equipment	21.74	4,721.24	4,742.98	123.42	3,133.75	3,257.17
Capital work-in-progress	-	-	-	220.83	-	220.83
Intangible assets under development	-	-	-	35.37	-	35.37
Other intangible assets	-	207.05	207.05	-	253.68	253.68
Other Non-financial assets	5,942.61	-	5,942.61	5,241.58	-	5,241.58
Sub total	5,964.35	27,901.81	33,866.16	5,621.20	28,544.64	34,165.84
Total Assets	1,696,580.79	2,464,118.75	4,160,699.54	1,530,451.85	1,880,324.08	3,410,775.93
LIABILITIES						
Financial liabilities						
Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	6.87	-	6.87	160.05	-	160.05
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	45,741.29	-	45,741.29	52,452.77	-	52,452.77
Debt securities	470,044.27	1,295,243.31	1,765,287.58	580,379.52	937,055.03	1,517,434.56
Borrowings (other than debt securities)	804,659.77	256,134.93	1,060,794.70	672,208.98	59,907.08	732,116.06
Deposits	8.79	230.22	239.01	50.09	127.40	177.49
Subordinated Liabilities	-	10,261.48	10,261.48	4,107.47	10,268.68	14,376.15
Other financial liabilities	4,637.48	2,359.71	6,997.19	6,652.13	1,407.99	8,060.13
Sub total	1,325,098.47	1,564,229.65	2,889,328.12	1,316,011.01	1,008,766.20	2,324,777.21
Non-Financial liabilities						
Current tax liabilities (net)	6,824.20	-	6,824.20	4,292.08	-	4,292.08
Provisions	237.50	490.60	728.10	284.03	588.69	872.72
Deferred tax liabilities (net)	-	71,824.27	71,824.27	-	50,947.34	50,947.34
Other non-financial liabilities	9,820.11	-	9,820.11	5,962.69	-	5,962.69
Sub total	16,881.81	72,314.87	89,196.68	10,538.80	51,536.03	62,074.83
Total Liabilities	1,341,980.28	1,636,544.52	2,978,524.80	1,326,549.81	1,060,302.23	2,386,852.04



Notes

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

NOTE 44 SEGMENT REPORTING

An operating segment is a component of the Company that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available.

All operating segments' results are regularly reviewed by the Chief Executive Officer (CEO), which have been identified as the Chief Operating Decision Maker ('CODM') of the Company. The Chief Executive Officer, which have been identified as the CODM, regularly review the performance reports and make decisions about allocation of resources.

The Company has three reportable segments, as described below, which are the Company's strategic business units. For each business units the Chief Executive Officer regularly reviews the performance reports."

REPORTABLE SEGMENTS

- Vehicle Financing - Retail Vehicle finance, Wholesale dealer finance and consumer durable finance
- Other Lending activities - financing against securities, securitisation, debenture investment / lending in commercial real estate and other loans / fee based services
- Treasury and Investment activities - proprietary trading in shares and strategic investments

A. Information about reportable segments

For the year ended 31st March, 2024

(₹ in Lakh)

Particulars	Reportable Segments						Total
	Vehicle financing	Other lending activities	Treasury and investment activities	Total Segments	Unallocated	Eliminations	
Segment revenue							
Revenue	3,22,554.01	42,644.89	62,826.04	4,28,024.94	-	-	4,28,024.94
Inter-segment revenue	-	-	-	-	-	(35,975.44)	(35,975.44)
Total segment revenue	3,22,554.01	42,644.89	62,826.04	4,28,024.94	-	(35,975.44)	3,92,049.50
Segment results	65,620.98	9,490.88	40,800.15	1,15,912.01	-	-	1,15,912.01
Unallocable expenses (net)				-			-
Profit before tax				-			1,15,912.01
Tax expense				-			29,142.14
Segment profit				-			86,769.87
Segment assets	28,15,660.94	6,67,804.26	6,51,857.82	41,35,323.02	25,376.52	-	41,60,699.54
Segment liabilities	21,93,905.07	3,89,236.80	3,13,889.54	28,97,031.41	81,493.39	-	29,78,524.80
Capital Employed				-			11,82,174.74
Other disclosures							
Capital expenditure				-			-
Depreciation and amortisation	1,793.60			1,793.60			1,793.60
Other non-cash items (Impairment loss allowance, employee benefits, MTM on derivative etc.)	(7,721.10)	499.08	(965.46)	(8,187.48)	-	-	(8,187.48)

Notes

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

For the year ended 31st March, 2023

(₹ in Lakh)

Particulars	Reportable Segments						Total
	Vehicle financing	Other lending activities	Treasury and investment activities	Total Segments	Unallocated	Eliminations	
Segment revenue							
Revenue	266,610.62	43,658.27	15,578.98	325,847.87	-	-	325,847.87
Inter-segment revenue	-	-	-	-	-	(26,401.40)	(26,401.40)
Total segment revenue	266,610.62	43,658.27	15,578.98	325,847.87	-	(26,401.40)	299,446.47
Segment results	134,021.31	15,882.89	3,573.14	153,477.34		(26,401.41)	127,075.93
Unallocable expenses (net)				-			-
Profit before tax				-			127,075.93
Tax expense				-			32,322.85
Segment profit				-			94,753.08
Segment assets	2,395,905.81	514,262.70	473,049.79	3,383,218.30	27,557.63		3,410,775.93
Segment liabilities	1,692,892.25	421,458.10	215,278.12	2,329,628.47	57,223.57		2,386,852.04
Capital Employed				-			1,023,923.89
Other disclosures							
Capital expenditure	1,685.42	-	-	1,685.42	-	-	1,685.42
Depreciation and amortisation	1,269.55	-	-	1,269.55	-	-	1,269.55
Other non-cash items (Impairment loss allowance, employee benefits, MTM on derivative etc.)	(5,121.46)	(827.38)	(933.34)	(6,882.18)	-	-	(6,882.18)

B. Information about major customers

No revenues from transactions with single external customer amounted to 10% or more of company's total revenue in the year ended 31st March, 2024 and 31st March, 2023.

Notes

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

NOTE 45 OTHER DISCLOSURES

The disclosure on the following matters required under Schedule III as amended not being relevant or applicable in case of the Company, same are not covered:

S No.	Disclosure
45.1	The Company has not traded or invested in crypto currency or virtual currency during the financial year
45.2	No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder
45.3	The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority
45.4	The Company has not entered into any scheme of arrangement
45.5	No satisfaction of charges are pending to be filed with ROC
45.6	There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
45.7	The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
45.8	The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
45.9	The Company has not revalued Property, Plant and Equipment and Intangible assets during the year.
45.10	The Company has complied with the number of layers prescribed under the Companies Act, 2013.
45.11	The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of account.
45.12	No transactions have taken place with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the year 31 st March, 2024.
45.13	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. The Company has established and maintained an adequate internal control framework and based on its assessment, believes that this was effective as of 31 st March, 2024.
45.14	Previous year's figures have been regrouped and reclassified wherever necessary to confirm to current year's presentation.

NOTE 46 DISCLOSURES AS REQUIRED BY MASTER DIRECTIONS - RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY - SCALE BASED REGULATION) DIRECTIONS, 2023

NOTE 46.01 CAPITAL TO RISK ASSETS RATIO (CRAR)

S No.	Particulars	31 st March, 2024	31 st March, 2023
1.	CRAR (%)	25.22%	28.50%
2.	CRAR - Tier I Capital (%)	24.66%	27.80%
3.	CRAR - Tier II Capital (%)	0.56%	0.70%
4.	Amount of subordinated debt raised as Tier-II capital (₹ in lakh)	10,261.48	14,376.15
5.	Amount raised by issue of Perpetual Debt Instruments (₹ in lakh)	-	-

Notes

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

NOTE 46.02 INVESTMENTS

(₹ in lakh)

S No.	Particulars	As at 31 st March, 2024	As at 31 st March, 2023
1.0	Value of Investments		
1.1	Gross Value of Investments:		
i	In India	666,603.22	659,741.01
ii	Outside India,	-	-
1.2	Provisions for Depreciation:		
i	In India	26.02	293.62
ii	Outside India,	-	-
1.3	Net Value of Investments		
i	In India	666,577.20	659,447.39
ii	Outside India,	-	-
2.0	Movement of provisions held towards depreciation on investments		
2.1	Opening balance	293.62	904.78
2.2	Add : Provisions made during the year	-	-
2.3	Less : Write-back/ (write-off) of excess provisions during the year	(267.60)	(611.16)
2.4	Closing balance	26.02	293.62

NOTE 46.03 DERIVATIVES

46.03.1 Forward Rate Agreement / Interest Rate Swap

(₹ in lakh)

S No.	Particulars	As at 31 st March, 2024	As at 31 st March, 2023
1	The notional principal of swap agreements	-	63,500.00
2	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	1,076.16
3	Collateral required by the NBFC upon entering into swaps	-	-
4	Concentration of credit risk arising from the swaps \$	-	100% (Banks)
5	The fair value of the swap book @	-	424.35

46.03.2 Exchange Traded Interest Rate (IR) Derivatives

(₹ in lakh)

S No.	Particulars	As at 31 st March, 2024	As at 31 st March, 2023
1	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	-	-
2	Notional principal amount of exchange traded IR derivatives outstanding	-	-
3	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-
4	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-



Notes

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

46.03.3 Disclosures on Risk Exposure in Derivatives

Qualitative Disclosure

The Company has Board approved risk management policy in dealing with foreign currency derivative transactions including Full Currency Swap (FCS), Coupon Only Swap (COS), Principal Only Swap (POS), Options and Forwards. The policy provides for use of derivative instruments in managing risks. The Company undertakes such derivative transactions for hedging the underlying liability. In case of revaluation of derivative transactions, the same is recognised in the books of accounts as per the accounting policies of the Company. Policy provides for monitoring of derivative transactions and reporting to Board on quarterly basis.

46.03.4 Quantitative Disclosures

(₹ in lakh)

	As at 31 st March, 2024		As at 31 st March, 2023	
	Currency Derivatives *	Interest Rate Derivatives	Currency Derivatives *	Interest Rate Derivatives
1.0 Derivatives (Notional Principal Amount)	-	-	12,500.00	63,500.00
For hedging \$	-	-	12,500.00	63,500.00
2.0 Marked to Market Positions				
i Assets(+)	-	-	929.41	424.35
ii Liability(-)	-	-	-	-
3.0 Credit Exposure	-	-	-	1,076.16
4.0 Unhedged Exposures	-	-	-	-

* Cross currency swaps have been included under Currency Derivatives

\$ For accounting refer note no 12

NOTE 46.04 ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

As at 31st March, 2024

(₹ in lakh)

	1-7 Days	8-14 Days	15-30 Days	Over 1 month upto 2 Month	Over 2 month upto 3 Month	Over 3 month upto 6 Month	Over 6 month upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Deposits											-
Advances*	156,530.58	81,228.46	177,147.07	96,577.33	99,270.09	296,445.36	482,865.32	1,158,443.26	509,536.00	384,760.35	3,442,803.82
Investments	268,781.74	-	1.06	6,499.62	9,999.55	-	-	7,959.95	-	373,335.28	666,577.20
Borrowings from banks*	-	-	62,402.01	71,506.19	2,400.00	94,908.34	143,346.93	62,499.00	193,571.85	-	630,634.32
Market borrowings*	44,964.59	-	50,988.90	98,801.13	101,572.02	218,042.71	385,959.74	1,018,350.93	287,029.41	-	2,205,709.43

As at 31st March, 2023

(₹ in lakh)

	1-7 Days	8-14 Days	15-30 Days	Over 1 month upto 2 Month	Over 2 month upto 3 Month	Over 3 month upto 6 Month	Over 6 month upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Advances*	114,429.69	53,856.56	118,684.27	78,310.72	78,292.87	269,414.02	401,256.59	945,031.44	386,277.80	228,584.29	2,674,138.24
Investments	165,321.93	1,142.12	82,524.64	1,228.68	1,217.37	5,997.72	111,348.30	31,274.02	91.16	259,301.47	659,447.39
Borrowings from banks*	-	-	18,090.99	74,375.06	34,814.43	76,750.60	16,877.35	48,941.05	10,966.02	-	280,815.50
Market borrowings*	57,465.96	-	31,252.48	72,048.06	35,259.96	274,785.23	564,975.84	823,651.12	123,672.62	-	1,983,111.27
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	44,465.74	11,517.13	-	-	55,982.87

* Interest accrued on loans and Bonds to be added as per due date/s into the bucket.

Note: In computing the above information, the management has made certain estimates, assumptions and adjustments, which are also used for regulatory submission

Non cash items like adjustments on account of effective interest rate, expected credit loss etc have been adjusted in the last time bucket as applicable.

Notes

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

NOTE 46.05 EXPOSURES

46.05.1 Exposure to Real Estate Sector:

(₹ in lakh)

S No.	Particulars	As at 31 st March, 2024	As at 31 st March, 2023
1.0	Direct Exposure		
1.1	Residential Mortgages: Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	192,495.67	89,766.22
1.2	Commercial Real Estate Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include nonfund based (NFB) limits;	255,026.20	219,543.61
1.3	Investment in Mortgage Backed Securities (MBS) and other securitised exposures		
i	Residential,	-	-
ii	Commercial Real Estate.	-	-
2.0	Indirect Exposure		
2.1	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
2.2	Investment in Real Estate Venture Funds	-	-
	Total exposure to Real Estate Sector:	447,521.87	309,309.83

46.05.2 Exposure to Capital Market

(₹ in lakh)

S No.	Particulars	As at 31 st March, 2024	As at 31 st March, 2023
1.1	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	337,422.37	332,172.86
1.2	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	97,899.99
1.3	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
1.4	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds/ convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-
1.5	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
1.6	Loans sanctioned to corporate against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
1.7	Bridge loans to companies against expected equity flows / issues	-	-
1.8	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total	337,422.37	430,072.86
1.10	All exposures to Alternative Investment Funds:		
(i)	Category I	-	-
(ii)	Category II	31,237.22	15,013.83
(iii)	Category III	-	-
	Total exposure to capital market	368,659.59	445,086.68



Notes

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

46.06 Details of financing of parent company products : Nil (Previous year Nil)

46.07 Disclosure in respect of exposure where Single Borrower Limit (SBL) / Group Borrower Limit (GBL) prescribed by RBI has been exceeded : Nil (Previous year Nil)

46.08 UNSECURED ADVANCES:

- a. Refer Note no. 6(B)(iv) to the financial statements
- b. The Company has not granted any advances against intangible securities (31st March, 2023: Nil).

46.09 REGISTRATION OBTAINED FROM OTHER FINANCIAL SECTOR REGULATORS

IRDA registration:

License No: CA 0271 (Licence with Kotak Mahindra General Insurance Limited)

License No: CA 0271 (Licence with Kotak Mahindra Life Insurance Company Limited)*

46.10 PENALTIES IMPOSED BY RBI AND OTHER REGULATORS:

As at 31st March, 2024 - Nil

As at 31st March, 2023 - 0.07

46.11 RATINGS ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR

Instrument Rating:

CRISIL:

Long term debt instruments and Long term bank facilities: continues to be CRISIL AAA/Stable

Sub-ordinated debt: continues to be CRISIL AAA/Stable

Market linked debentures: continues to be CRISIL PP-MLD AAA/Stable

Short term debt instruments and Short term bank facilities: continues to be CRISIL A1+*

ICRA:

Long term debt instruments and Long term bank facilities: continues to be [ICRA]AAA(Stable)Sub-ordinated debt: continues to be [ICRA]AAA(Stable)

Nifty linked debentures: continues to be PP-MLD[ICRA]AAA(Stable)

Short term debt instruments: continues to be [ICRA]A1+*

46.12 REMUNERATION OF DIRECTORS AND TRANSACTIONS WITH NON EXECUTIVE DIRECTORS:

Refer Note no. 37 to the financial statements

46.13 IMPACT OF PRIOR PERIOD ITEMS ON CURRENT YEAR'S PROFIT AND LOSS: NIL

46.14 CIRCUMSTANCES IN WHICH REVENUE RECOGNITION HAS BEEN POSTPONED: NIL

46.15 IND AS 110 - CONSOLIDATED FINANCIAL STATEMENTS (CFS) - NOT APPLICABLE

Notes

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

46.16 PROVISIONS AND CONTINGENCIES

(₹ in lakh)

Break up of 'Provisions and Contingencies' shown under the head expenses in Statement of Profit and Loss	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Provisions for depreciation on Investment #	(327.43)	(246.49)
Provision towards NPA ##	10,361.66	(18,317.22)
Provision for Standard Assets ###	6,041.72	(3,197.24)
Bad Debts written off (Net of Recoveries)	9,358.14	10,891.09
Others	(0.96)	13.87
Total Provisions and Contingencies	25,433.13	(10,855.99)
Provision made towards Income tax *	32,060.00	32,434.61

Provision for depreciation on Investments (Includes ECL provision on Investments and OCI)

Provision for Stage 3 assets

Provision for standard assets is included in provision towards impairment of financial instruments other than provision for stage 3 assets.

* Provision made towards Income tax includes current tax only.

46.17 DRAW DOWN FROM RESERVES: NIL

NOTE 46.18 CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAS

46.18.1. CONCENTRATION OF ADVANCES

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Total Advances to twenty largest borrowers / customers	153,348.07	220,306.12
Percentage of Advances to twenty largest borrowers / customers to Total Advances of the company on borrowers / customers	4.36%	8.08%

46.18.2. CONCENTRATION OF EXPOSURE

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Total Exposure to twenty largest borrowers / customers	254,612.94	515,793.51
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the company on borrowers / customers	7.21%	11.15%

* including Investments at fair value

** Exposures refers to higher of sanctioned limits or outstanding. Sanctioned limits are unconditionally cancellable at any time by the company without prior notice.

46.18.3. CONCENTRATION OF NPAS

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Total Exposure to top four NPA accounts	6,559.43	5,396.15

** NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS. 91 Days Past Due and other qualitative factors has been considered as default for classifying a financial instrument as credit impaired.

Notes

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

46.18.4. SECTOR-WISE NPAS

(₹ in lakh)

Particulars	Percentage of NPAs to Total Advances in that Sector	
	As at 31 st March, 2024	As at 31 st March, 2023
Agriculture & allied activities	-	-
MSME	-	-
Corporate borrowers	0.39%	0.13%
Services	-	-
Unsecured personal loans	4.53%	5.11%
Auto loans	2.73%	2.63%
Other personal loans	-	-

NOTE 46.19 MOVEMENT OF NPAS

(₹ in lakh)

	As at 31 st March, 2024	As at 31 st March, 2023
Net NPAs to Net Advances (%)	1.09%	1.05%
Movement of NPAs (Gross)		
Opening balance	65,471.38	72,950.83
Additions during the year	67,838.38	24,024.74
Reductions during the year	(45,240.78)	(31,504.19)
Closing balance	88,068.98	65,471.38
Movement of Net NPAs		
Opening balance	28,222.75	35,934.43
Additions during the year	38,485.74	10,367.78
Reductions during the year	(29,042.22)	(18,079.46)
Closing balance	37,666.27	28,222.75
Movement of provisions for NPAs (excluding provisions on standard assets)		
Opening balance	37,248.63	37,016.42
Provisions made during the year	29,352.64	13,656.94
Write-off / write-back of excess provisions	(16,198.56)	(13,424.73)
Closing balance	50,402.71	37,248.63

NOTE 46.20 OVERSEAS ASSETS: NIL (PREVIOUS YEAR NIL)

NOTE 46.21 OFF-BALANCE SHEET SPVS SPONSORED (WHICH ARE REQUIRED TO BE CONSOLIDATED AS PER ACCOUNTING NORMS): NIL (PREVIOUS YEAR NIL)

Notes

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

NOTE 46.22 DISCLOSURE REQUIRED BY RESERVE BANK OF INDIA ON CUSTOMER COMPLAINTS

(₹ in lakh)

	As at 31 st March, 2024	As at 31 st March, 2023
Number of complaints pending at the beginning of the year	59	66
Number of complaints received during the year	4,505	4,966
Number of complaints redressed during the year	4,485	4,973
Of which, number of complaints rejected by the NBFC	147	133
Number of complaints pending at the end of the year	79	59

MAINTAINABLE COMPLAINTS RECEIVED BY THE NBFC FROM OFFICE OF OMBUDSMAN

(₹ in lakh)

	As at 31 st March, 2024	As at 31 st March, 2023
Number of maintainable complaints received by the NBFC from Office of Ombudsman	244	218
Of above, number of complaints resolved in favour of the NBFC by Office of Ombudsman	243	215
Of above, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	1	3
Of above, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Number of complaints pending beyond 30 days
2023-2024					
Loans and advances - Incorrect Details	12	1667	-5%	7	-
Loans and advances - No objection Certificate related	8	891	-9%	9	-
Loans and advances - EMI related	4	629	13%	8	2
Loans and advances - CIBIL Related	7	353	-17%	4	1
Loans and advances - Collection Related	12	303	-26%	20	2
2022-2023					
Loans and advances - Incorrect Details	18	1762	24%	12	-
Loans and advances - No objection Certificate related	11	978	4%	8	-
Loans and advances - EMI related	7	558	-31%	4	1
Loans and advances - CIBIL Related	1	427	17%	7	2
Loans and advances - Collection Related	10	410	12%	12	1



Notes

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

NOTE 46.23 RELATED PARTY DISCLOSURE

Nature of transactions	Year Ended March 31	Holding Company	Fellow Subsidiaries	Other related parties	Key Management Personnel	Relative of Key Management Personnel	Total
Borrowings	2024	40,568.20	14,978.58	-	-	-	55,546.78
	2023	(204,641.73)	(18,761.15)	-	-	-	(223,402.88)
Deposits	2024	-	-	-	-	-	-
	2023	-	-	-	-	-	-
Placement of deposits	2024	59.17	54.85	-	-	-	114.02
	2023	(58.20)	(125.91)	-	-	-	(184.11)
Advances	2024	-	122.25	-	-	-	122.25
	2023	-	(95.20)	-	-	-	(95.20)
Investments	2024	-	333,985.52	18,463.31	-	-	352,448.83
	2023	-	(258,452.07)	(13,471.55)	-	-	(271,923.62)
Purchase of Fixed assets/Other assets	2024	7.07	-	-	-	-	7.07
	2023	(1.91)	-	-	-	-	(1.91)
Sale of Fixed assets/Other assets	2024	-	-	-	-	-	-
	2023	-	-	-	-	-	-
Interest Paid	2024	2,445.31	261.48	-	-	-	2,706.79
	2023	(6,072.75)	(1,477.27)	-	-	-	(7,550.02)
Interest Received	2024	457.65	1,968.51	-	-	0.40	2,426.56
	2023	(261.97)	(2,034.78)	-	-	(0.54)	(2,297.29)
Others							
Bank Balances	2024	11,559.40	-	-	-	-	11,559.40
	2023	(30,664.39)	-	-	-	-	(30,664.39)
Share service receivables	2024	19.36	1,326.04	-	-	-	1,345.40
	2023	(280.67)	(263.25)	-	-	-	(543.92)
Interest Receivables	2024	(2.95)	-	-	-	-	(2.95)
	2023	(2.59)	-	-	-	-	(2.59)
Shared Service payable	2024	749.69	152.05	-	-	-	901.74
	2023	(1,298.89)	(189.21)	-	-	-	(1,488.10)
Interest Payable	2024	-	-	-	-	-	-
	2023	(2.05)	-	-	-	-	(2.05)
Other receivables	2024	-	-	-	-	4.43	4.43
	2023	-	-	-	-	(6.42)	(6.42)
Share Capital(Face Value)	2024	178.26	171.26	-	-	-	349.52
	2023	(178.26)	(171.26)	-	-	-	(349.52)
Other Payables	2024	39.77	0.01	-	-	-	39.78
	2023	(912.64)	(0.02)	-	-	-	(912.66)
Remuneration	2024	-	-	-	565.06	-	565.06
	2023	-	-	-	(719.39)	-	(719.39)
Other Income	2024	841.13	6,856.19	-	-	-	7,697.32
	2023	(890.32)	(2,128.02)	-	-	-	(3,018.34)

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

Nature of transactions	Year Ended March 31	Holding Company	Fellow Subsidiaries	Other related parties	Key Management Personnel	Relative of Key Management Personnel	Total
Other expense	2024	3,173.98	869.19	-	-	-	4,043.17
	2023	(4,641.92)	(866.75)	-	-	-	(5,508.67)
Share Service expenses	2024	5,354.55	804.71	-	-	-	6,159.26
	2023	(3,957.65)	(320.30)	-	-	-	(4,277.95)
Share Service Income	2024	8.07	-	-	-	-	8.07
	2023	(3.40)	(0.24)	-	-	-	(3.64)
Capital contribution from parent	2024	535.72	-	-	-	-	535.72
	2023	(500.81)	-	-	-	-	(500.81)
Maximum Balance during the year*							
Borrowing	2024	232,725.59	14,000.00	5,000.00	-	-	251,725.59
	2023	(208,000.00)	(21,500.00)	(2,000.56)	-	-	(231,500.56)
Deposit	2024	-	-	-	-	-	-
	2023	-	-	-	-	-	-
Placement of deposit	2024	406,272.00	-	-	-	-	406,272.00
	2023	(120,016.29)	(125.92)	-	-	-	(120,142.21)
Advances	2024	-	122.25	-	-	-	122.25
	2023	-	(95.36)	-	-	-	(95.36)
Investments	2024	-	26,300.00	-	-	-	26,300.00
	2023	-	(29,754.00)	(40.17)	-	-	(29,794.17)

* Maximum balance during the year represents IGAAP Balances.

NOTE 46.24 DISCLOSURES RELATING TO SECURITISATION

46.24.1 Outstanding amount of securitized assets as per books of SPVs sponsored by NBFC and amount of exposures retained by the NBFC as on the date of balance sheet to comply with the Minimum Retention Requirements (MRR).

(₹ in lakh)

S No.	Particulars	As at 31 st March, 2024	As at 31 st March, 2023
1.0	No of SPVs sponsored by the NBFC for securitization transactions*	-	-
2.0	Total amount of securitized assets as per books of the SPVs sponsored	-	-
3.0	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	-	-
3.1	Off-balance sheet exposures	-	-
	First loss	-	-
	Others	-	-
3.2	On-balance sheet exposures	-	-
	First loss	-	-
	Others	-	-
4.0	Amount of exposures to securitization transactions other than MRR	-	-



Notes

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

S No.	Particulars	As at 31 st March, 2024	As at 31 st March, 2023
4.1	Off-balance sheet exposures	-	-
i	Exposure to own securitizations	-	-
	First loss	-	-
	Others	-	-
ii	Exposure to third party securitizations	-	-
	First loss	-	-
	Others	-	-
4.2	On-balance sheet exposures	-	-
i	Exposure to own securitizations	-	-
	First loss	-	-
	Others	-	-
ii	Exposure to third party securitizations	-	-
	First loss	-	-
	Others	-	-

* Only the SPVs relating to outstanding securitization transactions may be reported here

NOTE 46.25 DISCLOSURES AS REQUIRED BY THE MASTER DIRECTION – MONITORING OF FRAUDS IN NBFCs ISSUED BY RBI DATED 29 SEPTEMBER 2016

The frauds detected during the year amounted to ₹ 204.45 lakh. Of which, frauds of ₹ 1 lakh and above were reported to RBI aggregating to ₹ 200.33 lakh (31st March, 2023: ₹ 145.76 lakh).

46.26 Details of Assignment transactions undertaken by applicable NBFCs

(₹ in lakh)

S No.	Particulars	As at 31 st March, 2024	As at 31 st March, 2023
1.0	No. of accounts	-	-
2.0	Aggregate value (net of provisions) of accounts sold (₹ Lakh)	-	-
3.0	Aggregate consideration (₹ Lakh)	-	-
4.0	Additional consideration realized in respect of accounts transferred in earlier years (₹ Lakh)	-	-
5.0	Aggregate gain / loss over net book value (₹ Lakh)	-	-

Notes

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

46.27 Details of non-performing financial assets purchased / sold - Nil (Previous year Nil) 46.28.1 Liquidity Coverage Ratio (LCR)

S No.	Particulars	Average Q1 2023-24		Average Q2 2023-24		Average Q3 2023-24		Average Q4 2023-24	
		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)	164,284.78	164,284.78	170,662.06	170,662.06	185,197.55	185,197.55	278,175.82	278,175.82
Cash Outflow									
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	64,325.99	73,974.88	82,392.47	94,751.34	40,124.91	46,143.65	59,710.98	68,667.62
4	Secured wholesale funding	18,679.57	21,481.51	47,884.63	55,067.32	69,925.44	80,414.25	63,470.66	72,991.26
5	Additional requirements, of which:	-	-	-	-	-	-	22.77	26.19
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	22.77	26.19
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	33,278.87	38,270.70	41,106.11	47,272.03	47,859.68	55,038.63	54,080.12	62,192.14
7	Other contingent funding obligations	136,293.91	156,737.99	126,328.78	145,278.10	148,989.09	171,337.46	185,091.09	212,854.76
8	Total Cash Outflow	252,578.34	290,465.08	297,711.99	342,368.79	306,899.12	352,933.99	362,375.63	416,731.97
Cash Inflows:									
9	Secured lending	128,643.58	96,482.69	140,651.48	105,488.61	142,287.74	106,715.80	150,387.97	112,790.98
10	Inflows from fully performing exposures	-	-	-	-	-	-	-	-
11	Other cash inflows:	13,609.28	10,206.96	45,853.92	34,390.44	47,212.74	35,409.55	26,778.52	20,083.89
12	Total Cash Inflow	142,252.86	106,689.65	186,505.40	139,879.05	189,500.48	142,125.35	177,166.49	132,874.87
Components of HQLA									
	Cash and Bank Balance		6,698.21		7,185.61		10,684.71		8,294.78
	Securities (Tbills/ Gsecs SDLs at MTM)		157,586.57		163,476.45		174,512.84		269,881.03
13	Total HQLA		164,284.78		170,662.06		185,197.55		278,175.82
14	Total net cash outflows		183,775.44		202,489.74		210,808.63		283,857.10
15	Liquidity Coverage Ratio % *		89.39%		84.28%		87.85%		98.00%

* Reserve Bank of India (RBI) has made maintenance of Liquidity Coverage Ratio (LCR) in form of High Quality Liquid Assets (HQLA) like government securities, highly rated non-financial corporate bonds and listed equity investments applicable from 1st Dec 2020. Prior to 1st Dec 2020, the Company was maintaining sufficient liquid surplus to meet its short-term liquidity requirements in form of Bank Fixed Deposits and Overnight/Liquid Mutual

Notes

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

Funds.

46.28.2 Qualitative disclosure around LCR

Reserve Bank of India (RBI) has introduced the Liquidity Coverage Ratio (LCR) requirement for all deposit-taking NBFCs and non-deposit taking NBFCs with an asset size of ₹ 5,000 crore and above w.e.f. December 1, 2020. LCR seeks to ensure that the Company has an adequate stock of unencumbered High Quality Liquid Assets (HQLA) lasting for 30 calendar days to meet its liquidity needs under a significantly severe liquidity stress scenario.

The Board is responsible for the overall management of liquidity risk. The Board has constituted Asset Liability Management Committee (ALCO) and Risk Management Committee (RMC) for on-going overall risk management including liquidity risk management. Treasury is vested with the responsibility of managing liquidity risk within the risk tolerance of the Company.

The Board has approved and adopted Liquidity Risk Management Framework whereby it has prescribed tolerance limits for granular maturity buckets for structural liquidity gaps and for stock ratios and has also prescribed Liquidity Stress testing scenarios to assess the Company's vulnerability to stressed business / market conditions. The Board has advised metrics for various liquidity risk monitoring parameters including concentration of funding, early warning market related indicators, etc for due noting by ALCO.

The Board has approved the policy on LCR as per the extant RBI guideline for strict adherence by the Company. LCR is aimed at measuring and promoting short-term resilience of the Company to potential liquidity disruptions by ensuring maintenance of sufficient HQLAs to survive an acute stress scenario lasting for 30 calendar days.

The LCR requirement has been introduced in a phased manner with the Company required to maintain minimum LCR of 50% from December 1, 2020 eventually increasing to 100% by December 1, 2024. The requirement as on 31st March, 2024 is 85% for the Company.

With effect from December 1, 2020, on a daily basis, as per the extant RBI guideline, the Company maintains a liquidity buffer, by ensuring it has sufficient HQLA that can be converted into cash easily and immediately to meet its liquidity needs under a 30 calendar days liquidity stress scenario.

The LCR ratio comprises of HQLAs as numerator and net cash outflows in 30 calendar days as denominator. In order to determine HQLA, the Company considers cash and bank balances, investment in government securities (incl. T-bills and state development loans) without any haircut. In order to determine net cash outflows in subsequent 30 calendar days, the Company considers total expected cash outflows minus total expected cash inflows. As prescribed by the extant RBI guideline, stressed cash flows is computed by assigning a predefined stress percentage to the overall cash inflows and cash outflows. Total expected cash outflows (stressed outflows) are calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by 115%. Total expected cash inflows (stressed inflows) are calculated by multiplying the outstanding balances of various categories of contractual receivables by 75%. Net cash outflows over next 30 calendar days is computed as stressed outflows less minimum of (stressed inflows or 75% of stressed outflows).

For calculation of HQLA, the Company considers cash and bank balances, investment in government securities (incl. T-bills and state development loans) without any haircut. Such securities are valued at their market value. Cash outflows under unsecured and secured wholesale funding includes contractual debt repayment obligations in the next 30 calendar days. Outflows under other contractual funding obligations includes interest payable and sundry payable in the next 30 calendar days. Outflows under other contingent funding obligations includes unutilised uncommitted revocable facilities to borrowers. Cash inflows includes contractual inflows from performing exposures in next 30 calendar days. Other Cash inflows includes investments in mutual funds, treps, deposits, CPs etc which are maturing within 30 calendar days. Currently, the Company does not have an unhedged foreign currency exposure and resultant there is no currency mismatch in LCR.

NOTE 46.29 EXPOSURES

46.29.1 Exposure to real estate sector

Refer Note - 46.05.1

46.29.2 Exposure to capital market

Refer Note - 46.05.2

Notes

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

46.29.3 Sectoral Exposure

(₹ in lakh)

Particulars	As at 31 st March, 2024			As at 31 st March, 2023		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry	-	-	-	-	-	-
Total Industry	-	-	-	-	-	-
3. Services						
(i) Commercial Real Estate	50,917.99	221.82	0.44%	109,957.13	207.63	0.19%
(ii) NBFCs	-	-	-	37,500.00	-	0.00%
Total Services	50,917.99	221.82	0.44%	147,457.13	207.63	0.14%
4. Personal Loans						
(i) Vehicle/Auto Loans	2,541,789.75	71,536.98	2.81%	2,007,422.03	52,858.24	2.63%
(ii) Other Retail loans	143,317.65	6,495.74	4.53%	94,625.18	4,811.35	5.08%
(iii) Consumer Durables	-	-	-	-	-	-
(iv) Advances to Individuals against Shares, Bonds	-	-	-	-	-	-
Total Personal Loans	2,685,107.41	78,032.72	2.91%	2,102,047.21	57,669.59	2.74%
5. Others, if any						
(i) Other Non-food Credit	778,649.81	9,814.44	1.26%	477,307.15	7,594.91	1.59%
Total other Loans	778,649.81	9,814.44	1.26%	477,307.15	7,594.91	1.59%

Note

- The disclosures as above shall be based on the sector-wise and industry-wise bank credit (SIBC) return submitted by scheduled commercial banks to the Reserve Bank and published by Reserve Bank as 'Sectoral Deployment of Bank Credit'.
- In the disclosures as above, if within a sector, exposure to a specific sub-sector/industry is more than 10 per cent of Tier I Capital of a NBFC, the same shall be disclosed separately within that sector. Further, within a sector, if exposure to specific sub-sector/industry is less than 10 per cent of Tier I Capital, such exposures shall be clubbed and disclosed as "Others" within that sector.

46.29.4 Intra - Group Exposure

(₹ in lakh)

	As at 31 st March, 2024	As at 31 st March, 2023
i) Total amount of intra-group exposures	15,026.46	26,894.85
ii) Total amount of top 20 intra-group exposures	15,026.46	26,894.85
iii) Percentage of intra-group exposures to total exposure of NBFC on borrowers/customers.	0.43%	0.58%

Total exposure of NBFC on borrowers/customers includes credit substitutes.

46.29.5 Unhedged foreign currency exposure

The Company does not have any unhedged foreign currency exposure during the year.



Notes

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

NOTE 47 DISCLOSURES AS REQUIRED BY MASTER DIRECTIONS - RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY - SCALE BASED REGULATION) DIRECTIONS, 2023

NOTE 47.01 CAPITAL TO RISK ASSETS RATIO (CRAR)

S. No.	Particulars	As at 31 st March, 2024	As at 31 st March, 2023
1.	CRAR (%)	25.22%	28.50%
2.	CRAR - Tier I Capital (%)	24.66%	27.80%
3.	CRAR - Tier II Capital (%)	0.56%	0.70%
4.	Amount of subordinated debt raised as Tier-II capital (₹ in lakh)	10,261.48	14,376.15
5.	Amount raised by issue of Perpetual Debt Instruments (₹ in lakh)	-	-

NOTE 47.02 EXPOSURE

47.02.1 Exposure to Real Estate Sector.

(₹ in lakh)

S. No.	Particulars	As at 31 st March, 2024	As at 31 st March, 2023
1.	Direct Exposure		
1.1	Residential Mortgages: Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	192,495.67	89,766.22
1.2	Commercial Real Estate Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include nonfund based (NFB) limits;	255,026.20	219,543.61
1.3	Investment in Mortgage Backed Securities (MBS) and other securitised exposures		
i	Residential,	-	-
ii	Commercial Real Estate.	-	-
2.	Indirect Exposure		
2.1	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
2.2	Investment in Real Estate Venture Funds		-

Notes

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

47.02.2 Exposure to Capital Market

(₹ in lakh)

S No.	Particulars	As at 31 st March, 2024	As at 31 st March, 2023
1.1	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	337,422.37	332,172.86
1.2	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	97,899.99
1.3	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
1.4	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds/ convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-
1.5	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
1.6	Loans sanctioned to corporate against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
1.7	Bridge loans to companies against expected equity flows / issues	-	-
1.8	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total		337,422.37	430,072.86
1.10	All exposures to Alternative Investment Funds:		
(i)	Category I	-	-
(ii)	Category II	31,237.22	15,013.83
(iii)	Category III	-	-
Total exposure to capital market		337,422.37	430,072.86

NOTE 47.03 ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

As at 31st March, 2024

(₹ in lakh)

	1-7 Days	8-14 Days	15-30 Days	Over 1 month upto 2 Month	Over 2 month upto 3 Month	Over 3 month upto 6 Month	Over 6 month upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Advances*	156,530.58	81,228.46	177,147.07	96,577.33	99,270.09	296,445.36	482,865.32	1,158,443.26	509,536.00	384,760.35	3,442,803.82
Investments	268,781.74	-	1.06	6,499.62	9,999.55	-	-	7,959.95	-	373,335.28	666,577.20
Borrowings from banks*	-	-	62,402.01	71,506.19	2,400.00	94,908.34	143,346.93	62,499.00	193,571.85	-	630,634.32
Market borrowings*	44,964.59	-	50,988.90	98,801.13	101,572.02	218,042.71	385,959.74	1,018,350.93	287,029.41	-	2,205,709.43

As at 31st March, 2023

(₹ in lakh)

	1-7 Days	8-14 Days	15-30 Days	Over 1 month upto 2 Month	Over 2 month upto 3 Month	Over 3 month upto 6 Month	Over 6 month upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Advances*	114,429.69	53,856.56	118,684.27	78,310.72	78,292.87	269,414.02	401,256.59	945,031.44	386,277.80	228,584.29	2,674,138.24
Investments	165,321.93	1,142.12	82,524.64	1,228.68	1,217.37	5,997.72	111,348.30	31,274.02	91.16	259,301.47	659,447.39
Borrowings from banks*	-	-	18,090.99	74,375.06	34,814.43	76,750.60	16,877.35	48,941.05	10,966.02	-	280,815.50
Market borrowings*	57,465.96	-	31,252.48	72,048.06	35,259.96	274,785.23	564,975.84	823,651.12	123,672.62	-	1,983,111.27
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	44,465.74	11,517.13	-	-	55,982.87

* Interest accrued on loans and borrowings to be added as per due date/s into the bucket.

Note: In computing the above information, the management has made certain estimates, assumptions and adjustments, which are used for regulatory submission



Notes

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

NOTE 47.04 DISCLOSURE OF RESTRUCTURED ASSETS As at 31st March, 2024

Sr No	Type of Restructuring Assets Classification Details	Other than CDR and SME Debt Restructuring				Total						
		Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss			
1	Restructured accounts as on April 1 of FY (opening figures)	192	40	57	-	192	40	57	-	289	-	289
	Amount Outstanding	807.80	369.29	149.74	-	807.80	369.29	149.74	-	1,326.83	-	1,326.83
2	Fresh Restructuring during the year	164.91	145.08	48.96	-	164.91	145.08	48.96	-	358.95	-	358.95
	No of borrowers	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations to restructured standard category during the FY	14	(2)	(12)	-	14	(2)	(12)	-	-	-	-
	Amount Outstanding	15.11	(6.06)	(9.05)	-	15.11	(6.06)	(9.05)	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and /or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	3.27	(1.88)	(1.38)	-	3.27	(1.88)	(1.38)	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-
5	Downgradation of restructured accounts during the FY	(12)	(10)	22	-	(12)	(10)	22	-	-	-	-
	Amount Outstanding	(38.45)	(31.38)	69.83	-	(38.45)	(31.38)	69.83	-	-	-	-
6	Movement of restructured accounts during the FY	(9.20)	(14.92)	24.12	-	(9.20)	(14.92)	24.12	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-
7	Write offs of restructured accounts during the FY	108	15	9	-	108	15	9	-	132	-	132
	Amount Outstanding	683.21	314.46	32.31	-	683.21	314.46	32.31	-	1,029.98	-	1,029.98
8	Restructured Accounts as on March 31 of the FY (closing figures)	150.84	123.29	(9.23)	-	150.84	123.29	(9.23)	-	264.90	-	264.90
	Amount Outstanding	86	13	58	-	86	13	58	-	157.00	-	157.00
	Provision there on	101.25	17.40	178.20	-	101.25	17.40	178.20	-	296.85	-	296.85
		8.14	4.98	80.93	-	8.14	4.98	80.93	-	94.05	-	94.05

Notes

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As at 31st March, 2023

Sr No	Type of Restructuring Assets Classification Details	Other than CDR and SME Debt Restructuring				Total								
		Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss					
1	Restructured accounts as on April 1 of FY (opening figures)	No of borrowers	77	-	3	430	77	-	3	430	77	-	3	430
		Amount Outstanding	1,293.67	449.42	142.36	1,885.45	449.42	-	142.36	1,293.67	449.42	-	142.36	1,885.45
		Provision there on	261.50	162.10	95.61	519.21	162.10	-	95.61	261.50	162.10	-	95.61	519.21
2	Fresh Restructuring during the year	No of borrowers	3	-	-	3	-	-	-	3	-	-	-	3
		Amount Outstanding	41.96	-	-	41.96	-	-	-	41.96	-	-	-	41.96
		Provision there on	6.39	-	-	6.39	-	-	-	6.39	-	-	-	6.39
3	Upgradations to restructured standard category during the FY	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision there on	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision there on	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradation of restructured accounts during the FY	No of borrowers	(161)	(37)	61	-	(37)	137	61	(161)	(37)	137	61	-
		Amount Outstanding	(527.83)	(80.13)	160.99	-	(80.13)	446.98	160.99	(527.83)	(80.13)	446.98	160.99	-
		Provision there on	(102.98)	(17.02)	23.52	-	(17.02)	96.48	23.52	(102.98)	(17.02)	96.48	23.52	-
6	Movement of restructured accounts during the FY	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision there on	-	-	-	-	-	-	-	-	-	-	-	-
7	Write offs of restructured accounts during the FY	No of borrowers	-	-	64	144	-	80	64	-	-	80	64	144
		Amount Outstanding	-	-	303.35	600.59	-	297.24	303.35	-	-	297.24	303.35	600.59
		Provision there on	-	-	119.13	166.65	-	47.52	119.13	-	-	47.52	119.13	166.65
8	Restructured Accounts as on March 31 of the FY (closing figures)	No of borrowers	192	40	-	289	40	57	-	192	40	57	-	289
		Amount Outstanding	807.80	369.29	149.74	1,326.83	369.29	149.74	-	807.80	369.29	149.74	-	1,326.83
		Provision there on	164.91	145.08	48.96	358.95	145.08	48.96	-	164.91	145.08	48.96	-	358.95



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

AS AT 31ST MARCH, 2023

(₹ in lakh)

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	6.42	-	6.42
2. Other than related parties	2,441,021.28	233,116.95	2,674,138.24
Total	2,441,021.28	233,116.95	2,674,138.24

- (7) Investor group-wise classification of all investments (current and long term) in the shares and securities (both quoted and unquoted) Please see note 3 below

AS AT 31ST MARCH, 2024

(₹ in lakh)

Category	Amount Net of provisions	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **		
Subsidiaries	-	-
Companies in the same group	333,985.51	333,981.32
Other related parties	18,463.31	18,463.31
2. Other Than Related Parties	314,154.39	314,132.57
Total	666,603.21	666,577.20

AS AT 31ST MARCH, 2023

(₹ in lakh)

Category	Amount Net of provisions	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **		
Subsidiaries	-	-
Companies in the same group	258,452.07	258,432.62
Other related parties	13,471.54	13,471.55
2. Other Than Related Parties	387,817.40	387,543.22
Total	659,741.01	659,447.39

** As per Indian Accounting Standard issued by MCA (Please see Note b)

(8) Other Information

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
(i) Gross Non-Performing Assets*		
Related parties	-	-
Other than related parties	88,068.98	65,471.38
(ii) Net Non-Performing Assets*		
Related parties	-	-
Other than related parties	37,666.27	28,222.75
(iii) Assets acquired in satisfaction of debt		

* NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS. 91 Days Past Due and other qualitative factors has been considered as default for classifying a financial instrument as credit impaired.

Notes:

1 As defined in point xix of paragraph 3 of Chapter -2 of these Directions.

2 Provisioning norms shall be applicable as prescribed in Indian Accounting Standards by MCA.

3 All Indian Accounting Standards issued by MCA are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.

Notes

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

NOTE 48 DISCLOSURE REQUIRED BY RESERVE BANK OF INDIA ON LIQUIDITY RISK UNDER LIQUIDITY RISK MANAGEMENT FRAMEWORK

48.01 FUNDING CONCENTRATION BASED ON SIGNIFICANT COUNTERPARTY (BOTH DEPOSITS AND BORROWINGS)

AS AT 31ST MARCH, 2024

Number of Significant Counterparties	Amount (₹ in Lakh)	% of Total deposits	% of Total Liabilities
17	2,439,149.42	NA	81.89%

As at 31st March, 2023

Number of Significant Counterparties	Amount (₹ in Lakh)	% of Total deposits	% of Total Liabilities
17	1,869,364.03	NA	78.32%

Significant counterparty* is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

Note: The above information is based on Primary market transactions.

48.02 TOP 20 LARGE DEPOSITS (AMOUNT IN ₹ LAKH AND % OF TOTAL DEPOSITS)

N.A

48.03 TOP 10 BORROWINGS

As at 31st March, 2024

Amount (₹ in Lakh)	% of Total Borrowings
427,783.13	15.08%

As at 31st March, 2023

Amount (₹ in Lakh)	% of Total Borrowings
421,907.76	18.64%

48.04 FUNDING CONCENTRATION BASED ON SIGNIFICANT INSTRUMENT/PRODUCT

(₹ in lakh)

Name of Significant Instrument / Product	As at 31 st March, 2024		As at 31 st March, 2023	
	Amount	% of Total Liabilities	Amount	% of Total Liabilities
Non Convertible Debenture	1,765,287.58	59.27%	1,517,434.56	63.57%
Commercial Paper	430,160.38	14.44%	446,031.38	18.69%
Bank loans	630,634.32	21.17%	280,815.50	11.77%
Sub-ordinated Debt	10,261.48	0.34%	14,376.15	0.60%
Inter corporate deposits	-	-	5,269.18	0.22%

48.05 STOCK RATIOS:

(a) Commercial papers as a	As at 31 st March, 2024	As at 31 st March, 2023
% of total public funds	15.17%	19.70%
% of total liabilities:	14.44%	18.69%
% of total assets:	10.34%	13.08%

(b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets: Nil



Notes

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

(c) Other short term liabilities	As at 31 st March, 2024	As at 31 st March, 2023
% of total public funds	32.15%	3.09%
% of total liabilities:	30.61%	2.93%
% of total assets:	21.92%	2.05%

48.06 INSTITUTIONAL SET-UP FOR LIQUIDITY RISK MANAGEMENT

The Board of Directors (the board) of the Company has delegated the responsibility for ongoing balance sheet Liquidity Risk management to the Asset Liability Committee (ALCO).

In order to manage/mitigate liquidity risk, the Company has defined its liquidity risk management strategy and prudential internal limit for Liquidity Gap tolerance for its various time buckets in addition to regulatory limits on liquidity gaps, which is approved by the Board. Treasury is responsible for managing liquidity under the prescribed liquidity risk management framework and the same is monitored by ALCO / Board.

Liquidity risk management strategies and practices are reviewed to align with changes to the external environment, including regulatory changes, business conditions and market developments.

The Company has adopted liquidity risk management framework as required under RBI regulation.

NOTE 49 DISCLOSURE UNDER GUIDANCE NOTE ON IMPLEMENTATION OF INDIAN ACCOUNTING STANDARDS BY NON-BANKING FINANCIAL COMPANIES AND ASSET RECONSTRUCTION COMPANIES

NOTE 49.01: NUMBER OF ACCOUNTS, TOTAL AMOUNT OUTSTANDING AND THE OVERDUE AMOUNTS OF ACCOUNTS THAT ARE PAST DUE BEYOND 90 DAYS BUT NOT TREATED AS IMPAIRED - NIL

NOTE 49.02: COMPARISON BETWEEN PROVISIONS REQUIRED UNDER PRUDENTIAL NORMS ON INCOME RECOGNITION, ASSET CLASSIFICATION AND PROVISIONING (IRACP) AND IMPAIRMENT ALLOWANCES AS PER IND AS 109

AS AT 31ST MARCH, 2024

(₹ in lakh)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norm
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	3,353,027.09	14,598.08	3,338,429.01	13,532.48	1,065.60
	Stage 2	73,556.16	6,869.48	66,686.68	309.80	6,559.68
	Stage 3	3,855.52	2,114.04	1,741.48	2,045.91	68.13
Subtotal		3,430,438.77	23,581.60	3,406,857.17	15,888.19	7,693.41
Non-Performing Assets (NPA)						
Substandard	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	45,039.36	19,236.36	25,803.00	16,649.15	2,587.21
Substandard (A)		45,039.36	19,236.36	25,803.00	16,649.15	2,587.21
Doubtful						
Doubtful - up to 1 year	Stage 2	-	-	-	-	-
	Stage 3	16,465.39	9,970.51	6,494.88	8,813.13	1,157.38
Doubtful - 1 to 3 years	Stage 2	22.98	1.10	21.88	6.82	(5.72)
	Stage 3	9,997.41	6,996.37	3,001.04	5,371.84	1,624.53
Doubtful - more than 3 years	Stage 3	11,583.86	11,011.03	572.83	5,955.69	5,055.35
Doubtful (B)		38,069.64	27,979.01	10,090.63	20,147.48	7,831.53
Loss	Stage 3	1,127.44	1,074.42	53.02	571.22	503.20
Loss (C)		1,127.44	1,074.42	53.02	571.22	503.20
Subtotal for NPA (A+B+C)		84,236.44	48,289.79	35,946.65	37,367.85	10,921.94

Notes

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

(₹ in lakh)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norm
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	57.34	(57.34)	-	57.34
	Stage 2	-	4.55	(4.55)	-	4.55
	Stage 3	-	-	-	-	-
Total	Stage 1	3,353,027.09	14,655.42	3,338,371.67	13,532.48	1,122.94
	Stage 2	73,579.13	6,875.13	66,704.00	316.62	6,558.51
	Stage 3	88,068.98	50,402.72	37,666.26	39,406.94	10,995.79
		3,514,675.20	71,933.27	3,442,741.93	53,256.04	18,677.23

AS AT 31ST MARCH, 2023

(₹ in lakh)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norm
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	2,755,389.13	12,625.50	2,742,763.63	11,316.12	1,309.38
	Stage 2	90,266.86	5,869.83	84,397.03	358.52	5,511.31
	Stage 3	1,111.41	397.64	713.77	5.25	392.38
Subtotal		2,846,767.40	18,892.96	2,827,874.43	11,679.89	7,213.07
Non-Performing Assets (NPA)						
Substandard	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	24,269.71	9,923.53	14,346.18	8,383.71	1,539.82
Substandard (A)		24,269.71	9,923.53	14,346.18	8,383.71	1,539.82
Doubtful						
Doubtful - up to 1 year	Stage 2	123.97	14.15	109.82	36.19	(22.04)
	Stage 3	-	-	-	-	-
Doubtful - 1 to 3 years	Stage 3	-	-	-	-	-
Doubtful - more than 3 years	Stage 3	34,178.30	22,964.60	11,213.70	21,679.40	1,285.22
Doubtful (B)		34,302.27	22,978.75	11,323.52	21,715.59	1,263.16
Loss	Stage 3	5,912.71	3,962.86	1,949.85	2,561.99	1,400.88
Loss (C)		5,912.71	3,962.86	1,949.85	2,561.99	1,400.88
Subtotal for NPA (A+B+C)		64,484.70	36,865.14	27,619.56	32,661.28	4,203.86
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	47.96	(47.96)	-	47.96
	Stage 2	-	16.26	(16.26)	-	16.26
	Stage 3	-	-	-	-	-
Total	Stage 1	2,755,389.13	12,673.46	2,742,715.67	11,316.12	1,357.33
	Stage 2	90,390.82	5,900.24	84,490.58	394.71	5,505.53
	Stage 3	65,472.13	37,248.63	28,223.50	32,630.34	4,618.28
		2,911,252.07	55,822.33	2,855,429.75	44,341.17	11,481.15

@ Represents provision amounts as per Company's NPA provisioning policy which is in compliance with the IRACP norms and also includes general provision of ₹ 77.90 lakh (Mar -23 ₹ 208.75 lakh) created against standard assets in accordance with RBI's Covid-19 relief package.

*Investment measured at FVOCI has not been considered above in gross carrying amount and loss allowance. The fair value of the investment is ₹ 605,531.51 lakh (Mar -23 ₹ 440,313.58 lakh) and loss allowance is ₹ 26.06 lakh (Mar -23 ₹ 21.53 lakh). Further, it does not include changes in impairment on POCI assets.



Notes

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NOTE 50.01 INITIAL DISCLOSURE IN TERMS OF CHAPTER XII OF CIRCULAR SEBI/HO/DDHS/P/CIR/2021/613 DATED AUGUST 10 2021 (AS UPDATED AS ON JULY 07, 2023) - ANNEXURE A

S No.	Particulars	Details
1	Name of the company	Kotak Mahindra Prime Limited
2	CIN	U67200MH1996PLC097730
3	Outstanding borrowing of company as on 31 st March, 2024	₹ 27,892.64 Crores*
4	Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	<p>CRISIL: Long term debt instruments and Long term bank facilities: continues to be CRISIL AAA/Stable Sub-ordinated debt: continues to be CRISIL AAA/Stable Market linked debentures: continues to be CRISIL PP-MLD AAA/Stable Short term debt instruments and Short term bank facilities: continues to be CRISIL A1+</p> <p>ICRA: Long term debt instruments and Long term bank facilities: continues to be [ICRA]AAA(Stable) Sub-ordinated debt: continues to be [ICRA]AAA(Stable) Nifty linked debentures: continues to be PP-MLD[ICRA]AAA(Stable) Short term debt instruments: continues to be [ICRA]A1+</p>
5	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	Bombay Stock Exchange

* at face value for NCDs/CPs and principal amount for bank borrowings

S No.	Particulars	Details
1	Name of the company	Kotak Mahindra Prime Limited
2	CIN	U67200MH1996PLC097730
3	Report filed for FY (T)	2023-2024
4	Details of Current Block:	
i)	3-year block period (Specify financial years)	FY -2021-2022, FY- 2022-2023, FY 2023-24
ii)	Incremental borrowing done in FY (T) (a)	₹ 9,908 Crores
iii)	Mandatory borrowing to be done through debt securities in FY (T) (b)& (25% of a)	₹ 2,477 Crores
iv)	Actual borrowing done through debt securities in FY (T) (c.)	₹ 7,858 Crores
v)	Shortfall in the borrowing through debt securities, if any, for FY (T-1) carried forward to FY (T). (d)	NIL
vi)	Quantum of (d), which has been met from (c)(e)	NIL
vii)	Shortfall, if any, in the mandatory borrowing through debt securities for FY (T) {after adjusting for any shortfall in borrowing for FY (T-1) which was carried forward to FY (T)}(f)= (b)-[(c)-(e)] {If the calculated value is zero or negative, write "nil"}	NIL
5	Details of penalty to be paid, if any, in respect to previous block	
i)	3-year block period (Specify financial years)	FY -2021-2022, FY- 2022-2023, FY 2023-24
ii)	Amount of fine to be paid for the block, if applicable Fine& 0.2% of {(d)-(e)}	NIL

NOTE 51 The disclosure requirements as required by RBI circular dated 6th August, 2020 (Resolution Framework 1.0) and 5th May 2021 (Resolution Framework 2.0) as at 31st March, 2024 is given below:

(₹ in lakh)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at the end of the previous half - year [^]	Of (A), aggregate debt that slipped into NPA during the half-year ^{**}	Of (A) amount written off during the half - year [#]	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at the end of this half - year ^{^^}
	(A)	(B)	(C)	(D)	(E)
Personal Loans	306.98	16.19	1.37	224.68	64.74
Corporate persons*	10.35	-	-	10.35	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
	317.33	16.19	1.37	235.03	64.74

* as defined in section 3(7) of the insolvency and bankruptcy code, 2016

** Slipped into NPA during the half year as per IRACP norms.

[^] Includes cases where requests received till 30th September, 2021 and implemented subsequently

[#] represents debt that slipped into NPA and was subsequently written off during the year

^{^^} Exposure as on 31st March, 2024 includes interest capitalisation.

Notes

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There were no borrower accounts, where resolution plans had been implemented and now modified under Resolution Framework 2.0 announced by RBI on 5th May, 2021.

NOTE 52 DISCLOSURES UNDER LISTING AGREEMENT FOR DEBT SECURITIES

S No.	Particulars
-------	-------------

a Disclosure under Regulation 53(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Debenture Trustees:

IDBI Trusteeship Services Ltd. Universal Insurance Building, Ground Floor
 Sir P.M Road, Fort, Mumbai Maharashtra - 400101, India
 Tel. : 022-40807000
 Fax : 022-66311776
 Email : itsl@idbitrustee.com

b Disclosure under Regulation 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Related Party transactions

(₹ in lakh)

Particulars	As at	As at
	31 st March, 2024	31 st March, 2023
Loans and advances in the nature of loans to subsidiaries	-	-
Loans and advances in the nature of loans to associates	-	-
Loans and advances in the nature of loans to firms/companies in which directors are interested	15,026.46	26,894.85
Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan	-	-

c Disclosure under Regulation 54(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Asset cover for Secured Debentures

The Non-Convertible Debentures are redeemable at par / premium. The Non-Convertible Debentures (except for subordinated debt) are secured by way of first and pari-passu hypothecation in favour of Debenture Trustee on the Company's movable assets such as receivables arising out of loan, lease and hire purchase, book debts, current assets and investments (excluding investments made pursuant to regulatory requirement and strategic investments of the Company which are in the nature of equity shares, preference shares and venture capital units or any receivables therefrom) and / or by way of a first and pari passu mortgage on the Company's immovable property of ₹ 18.07 lakh with charge created in favour of Debenture Trustee.

As per our attached report of even date

For M M Nissim & Co LLP

Chartered Accountants
 Firm Registration Number: 107122W / W100672

Sanjay Khemani

Partner
 Membership No: 044577

23rd May, 2024
 Place: Mumbai

For Mukund M. Chitale & Co

Chartered Accountants
 Firm Registration Number: 106655W

Saurabh Chitale

Partner
 Membership No: 111383

23rd May, 2024
 Place: Mumbai

For and on behalf of the Board of Directors of

Kotak Mahindra Prime Limited

Vyomesh Kapasi

Managing Director & CEO
 DIN: 07665329

Jason Dalgado

Chief Financial Officer

23rd May, 2024
 Place: Mumbai

Shahrukh Todiwala

Director
 DIN: 09291062

Kiran Tangudu

Company Secretary
 M No: F7932



Kotak Mahindra Prime Limited
27BKC, C 27, G Block, Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051
Company Website: www.primeloans.kotak.com
Kotak Mahindra Bank Website: www.kotak.com

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