

Annual Report 2023-24



**Kotak Infrastructure Debt Fund
Limited**



Transforming
for scale



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Directors' Report

To the Members of

KOTAK INFRASTRUCTURE DEBT FUND LIMITED

The Directors present their Thirty-Sixth Annual Report of Kotak Infrastructure Debt Fund Limited ("Company") together with the audited accounts of the Company for the year ended 31st March, 2024.

FINANCIAL HIGHLIGHTS

(₹ in Lakh)

	Year ended 31 st March, 2024	Year ended 31 st March, 2023
Gross income	11,115.05	7,697.81
Profit before Tax	3,377.85	3,020.62
Provision for Tax	NIL	NIL
Profit after Tax	3,377.85	3,020.62
Total Comprehensive Income	3,377.11	3,021.99
Balance of Profit from previous years	12,947.36	10,530.37
Amount available for appropriation	16,324.47	13,552.36
Appropriations:		
Special Reserve u/s 451C of the RBI Act, 1934	(680)	(605)
Net Profit after tax carried to Balance Sheet	15,644.47	12,947.36

FINANCIAL PERFORMANCE

During the year, the Company witnessed a growth in the customer assets of 32.2%. The growth was supported by diversification into new sectors like Transmission and education. The funding requirements was met through Rupee Bonds with more than 5 years maturity, in line with the regulations for NBFC-IDFs. The company has been continuously diversifying its funding sources and has a pool of lenders consisting of Provident funds, Pension funds, Banks and Corporates. As of 31 March 2024, the Company has adequate capital, healthy debt to equity ratio and positive liquidity gaps in short term. The Company is well placed to growth in future at faster pace and is geared to meet any challenges in future

SHARE CAPITAL

The Authorized Share Capital of your Company as on 31st March, 2024 was ₹ 6,107,500,000, consisting of 310,050,000 equity shares of ₹10 each and 6,014 7.5% Redeemable, Non-Cumulative Preference Shares of the Company (RNCPS) of ₹ 500,000 each.

Paid up share capital of your Company as on 31st March, 2024 stood at ₹ 3,100,000,000, consisting of 310,000,000 equity shares of ₹ 10 each.

DIVIDEND

With a view to conserve your Company's resources for future growth, your Directors do not recommend any dividend on equity shares (Previous Year: Nil).

TRANSFER TO RESERVES

The Company has not transferred any amount to the Reserves during the year.

RUPEE BONDS

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 secured Rupee Bonds on private placement basis and list all Rupee Bonds issued, on BSE Limited under Information Memorandums issued by the Company from time to time. The Company has appointed IDBI Trusteeship Services Limited as Debenture Trustee to the issues. The contact details of the Debenture Trustee are:

Name: IDBI Trusteeship Services Limited
 Universal Insurance Building, Ground Floor, Sir P.M. Road, Fort, Mumbai - 400001
 Contact No.: 022 - 40807050; 022 - 40807021
 Email Id: itsl@idbitrustee.com
 Website: www.idbitrustee.com



CAPITAL ADEQUACY RATIO

The Capital to Risk Assets Ratio ("CRAR") of the Company as on 31st March, 2024 was at 59.59%.

CREDIT RATING

Your Company's short-term borrowing program from CRISIL and ICRA is rated "A1+". Further, the long-term secured borrowing program is rated "AAA/Stable" by CRISIL and ICRA.

A1+ / AAA indicates highest credit-quality rating assigned by CRISIL and ICRA. Instruments with these ratings are considered to have highest degree of safety regarding timely servicing of financial obligations and such instruments carry lowest credit risk.

During the year under review, there was no change in the ratings of your Company.

DEPOSIT

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.

OPERATIONS

The Company is in the business of providing finance for infrastructure projects, with more than one year of satisfactory operational history.

DIRECTORS & KEY MANAGERIAL PERSONNEL

BOARD COMPOSITION

The composition of the Board of Directors of your Company is governed by the provisions of the Companies Act, 2013 ("Act") and the Rules made thereunder, Regulation 17 of the SEBI Listing Regulations, RBI Regulations, including the statutory modifications, re-enactments, amendments made thereon from time to time, and is in conformity with the same. As on 31st March, 2024, the Board of Directors of your Company comprised of six members, viz., Mr. Raghunandan Dattatray Maluste (DIN:01302477), Mr. Sanjeev Ramesh Shah (DIN: 02780274), Non-Executive Independent Directors, Mr. Dipak Gupta (DIN: 00004771), Mr. Paritosh Kashyap (DIN: 07656300), Mr. Phani Shankar (DIN: 09663183) and Ms. Sujata Guhathakurta (DIN: 08099266), Non-Executive Directors. The Directors present at the meeting elected the Chairman for each Board Meeting however with effect from 17th October, 2023 the Board elected Mr. Raghunandan Dattatray Maluste, as the Designated Chairman of the Board. The size of the Board is commensurate with the size and business of your Company. The Board of Directors have appropriate qualifications, skills, experience and knowledge required to deliberate on the matters presented before them and to conduct the affairs of the Company effectively.

The Members of the Company, at their Annual General Meeting held on 5th July, 2023, approved the appointment of Mr. Raghunandan Dattatray Maluste as an Independent Director on the Board of the Company, to hold office for a period of second term of three years, with effect from 21st August, 2023 up to 20th August, 2026 (both days inclusive).

Further, the Board of your Company had appointed Mr. Sanjeev Ramesh Shah as an Additional Independent Director of the Company with effect from 17th October, 2023 and the Members of the Company, at the Extra-Ordinary General Meeting held on 17th October, 2023, approved the appointment of Mr. Sanjeev Ramesh Shah as an Independent Director on the Board of the Company, to hold office for a period of five years commencing from 17th October, 2023 upto 16th October, 2028 (both days inclusive).

The Board of Directors of the Company at their meeting held on 26th March, 2024, had approved the appointment of Mr. Baswa Ashok Rao as an Additional & Independent Director for a term of three years, with effect from 1st April, 2024 up to 31st March, 2027 (both days inclusive), subject to approval of the members of the Company. Further, the members of the Company had granted their consent to the aforesaid appointment of Mr. Rao at the 1st Extra Ordinary Meeting for FY2024-25 of the Company held on 24th June, 2024.

DIRECTOR RETIRING BY ROTATION

Mr. Paritosh Kashyap (DIN: 07656300), Director, retires by rotation at the Thirty-Sixth AGM and being eligible, has offered himself for re-appointment.

EKYC

The Ministry of Corporate Affairs (MCA) has vide amendments to the Companies (Appointment and Qualification of Directors) Rules, 2014, mandated registration of KYC of all Directors. All the Directors of the Company have complied with said requirement in FY 2023-24.

DIRECTORS AND OFFICERS LIABILITY INSURANCE POLICY

The Company has a Directors and Officers Liability Insurance Policy which protects Directors and Officers of the Company for any breach of fiduciary duty.

NUMBER OF BOARD MEETINGS

During the financial year under review, thirteen (13) meetings of the Board of Directors were held.

DECLARATION FROM INDEPENDENT DIRECTOR

The Company has received all the necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) and Regulation 25 of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties. The Board is of the opinion that all the Independent Directors appointed during the year are having good integrity and possess the requisite expertise and experience. All the Independent Directors have confirmed that they are in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules 2014, with respect to registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

BOARD EVALUATION

The Nomination and Remuneration Committee 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 collaborative approach.

A Board effectiveness assessment questionnaire has been designed for the performance evaluation of the Board, its Committees, Chairman and individual directors. In accordance with the criteria set and covering various aspects of performance including but not limited to 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 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, the Chairman and the individual Directors, a summary of the Board Evaluation and assessment report was placed before the meeting of the Independent Directors for consideration. Similarly, the Nomination & Remuneration Committee and 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.

CHANGE IN KEY MANAGERIAL PERSONNEL (KMPS)

As on 31st March, 2024, in terms of the provisions of Section 203 of the Companies Act, 2013 ("Act"), Mr. Veenu Singla, is the Chief Executive Officer and Chief Financial Officer and Ms. Subhadra Mallinath Atanur, Company Secretary & Compliance Officer, were the Key Managerial Personnel ("KMP") of the Company.

During the year under review, Ms. Agam Sandha, resigned and ceased to be the Company Secretary, Compliance Officer and KMP of your Company, with effect from 11th December, 2023.

Further, the Board at its meeting held on 17th January, 2024 had approved the appointment of Ms. Subhadra Mallinath Atanur as the Company Secretary, Compliance Officer and KMP of your Company, with effect from 17th January, 2024.

Accordingly, in terms of the provisions of Section 203 of the Act, Mr. Veenu Singla, Chief Executive Officer and Chief Financial Officer and Ms. Subhadra Mallinath Atanur, Company Secretary and Compliance Officer are the KMPs of the Company, as on the date of this Report.

APPOINTMENT AND REMUNERATION OF DIRECTORS AND KMPS

The Nomination and Remuneration Committee of your Company 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 of the Directors and Senior Management Personnel.

The Board has adopted a Remuneration Policy for employees of the Company. The Policy is in line with the Compensation Policy of the Bank, which is based on the Guidelines issued by the Reserve Bank of India. The salient features of the Remuneration Policy of the Company as on 31st March, 2024 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 are classified into 2 groups:
 - Category I: Whole-time Directors / Chief Executive Officer & Other Key Management Personnel (KMPs)
 - Category II: All employees, not explicitly covered in category I
- Compensation structure broadly divided into Fixed, Variable and Employee Stock Option Plan ("ESOP")
 - Fixed Pay – Total cost to the Company i.e. Salary, Retirals and Other Benefits.
 - 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 Company's budgets and business objectives. The main form of incentive compensation includes – Cash, Deferred Cash / Incentive Plan and Stock Appreciation Rights (SARs).
 - ESOPs – Granted on a discretionary basis to employee based on their performance and potential with the objective of retaining the employee.



- Compensation Composition – Compensation Structure includes Fixed Pay, Benefits, Variable Pay (Cash & LTIP including deferred cash, ESOPs & SARs)
- Any variation in the Policy to be with approval of the Nomination and Remuneration Committee.
- Malus and Clawback clauses applicable on Deferred Variable Pay.
- The Compensation policy for Independent Directors was last amended on 20th April, 2023 which, *inter alia*, provides for payment of compensation to Independent Directors, in the form of a fixed remuneration.
- The salient features of the Compensation Policy are as follows:
 - (i) Compensation structure broadly divided into:
 - Sitting fees
 - Re-imbusement of expenses
 - Fixed remuneration
 - (ii) Amount of sitting fees and fixed remuneration to be decided by the Board from time to time, subject to the regulatory limits, if any.
 - (iii) Independent Directors are not eligible for any stock options of the Bank.

Remuneration to the KMPs i.e. Chief Executive Officer, Chief Financial Officer and the Company Secretary, is as per the terms of their employment. The Compensation Policy of the Company is available on the Company's website viz URL: <https://kidfi.kotak.com/>

REPORT ON CORPORATE GOVERNANCE

The Company is committed to achieving and adhering to the highest standards of Corporate Governance and constantly benchmarks itself with best practices, in this regard.

Pursuant to Regulation 34 of the SEBI Listing Regulations, a separate section titled 'Report on Corporate Governance' has been included in this Annual Report. The Report of Corporate Governance also contains certain disclosures required under the Act, including the details of the Board and Committee meetings held during the financial year ended 31st March, 2024.

The Company also files with the Stock Exchanges, the quarterly Report on Corporate Governance in terms of Regulation 27(2) of the SEBI Listing Regulations. The said Reports are available on the Company's website viz., URL: <https://kidfi.kotak.com/investors-debt-grievances.php>

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 Act for FY 2023-24.

SECRETARIAL AUDITORS

Pursuant to Section 204 of the Companies Act, 2013, your Company has appointed Rupal D. Jhaveri, Company Secretaries, as its Secretarial Auditors. The Secretarial Audit Report for the financial year ended 31st March, 2024 is annexed to this Report. 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 FY 2023-2024 (Annexure III).

The Secretarial Auditors in their report has observed that, there was a delay in submission of intimation of notice of Record Date by 6 days under Regulation 60 (2) of SEBI LODR Regulations, 2015. A penalty of ₹ 11,800 (including GST) was levied on the Company, which was paid by the Company and the review by the Audit Committee of the compliances under Regulation 9A (4) of SEBI (Prohibition of Insider Trading) Regulations, 2015 was carried out after the closure of the period under review. The Company has immediately taken the corrective measures.

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 once prepared shall be disclosed on the Company's website viz. URL: <https://kidfi.kotak.com/annual-reports.html>

AUDITORS

In terms of Section 139 of the Companies Act, 2013, M/s. Gokhale & Sathe, Chartered Accountants (Firm Registration No. 103264W) were appointed as statutory auditors of the Company for a period of 3 (three) years commencing from conclusion of Thirty Third AGM till the conclusion of Thirty Sixth AGM for the period of Financial Year beginning from 1st April, 2021 to 31st March 2024 in terms of the Circular dated 27th April, 2021 issued by the Reserve Bank

of India (RBI) and the Act. Accordingly M/s. Gokhale & Sathe, Chartered Accountants (Firm Registration No. 103264W) has completed 3 years as Statutory Auditors of the Company, and in view of RBI mandate, M/s. Gokhale & Sathe, Chartered Accountants retires at the conclusion of the Thirty Sixth AGM.

In view of the same, the Company has proposed to appoint M/s KDS & Co, Chartered Accountants (Firm Registration No. 117370W) as statutory auditor of the Company for a period of 3 (three) years commencing from conclusion of Thirty Sixth AGM till the conclusion of Thirty Ninth AGM in place of retiring auditors in terms of the Circular dated 27th April, 2021 issued by the Reserve Bank of India (RBI) and the Act, subject to ratification by shareholders.

M/s KDS & Co, Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made would be within the limits as specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditor 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 the RBI Circular.

The Audit Committee and Board of Directors recommends the appointment of M/s KDS & Co, Chartered Accountants, as Statutory Auditors of the Company from the conclusion of Thirty Sixth AGM till the conclusion of Thirty Ninth AGM, subject to ratification of approval of appointment and fixing of remuneration by shareholders of the Company. Shareholders are requested to approve appointment and fix their remuneration.

INTERNAL FINANCIAL CONTROLS

The Board of Directors confirm 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 deviations have been observed.

RELATED PARTY TRANSACTIONS

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

Pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no transactions to be reported under Section 188(1) of the Act, in 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 Accounting Standards Ind AS24 are reported in Notes to Accounts under note no. 29.

The Company's Policy on dealing with Related Party Transactions is available on the Company's website viz. URL: <https://kidfl.kotak.com/>

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to Section 186 of the Act, 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, is exempt from the provisions of Section 186 of the Companies Act, 2013.

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 wrong doing or violation of any Indian law.

The same is also put up on the Company's website viz. URL: <https://kidfl.kotak.com/policies.html>

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 the Company, has constituted a Board Corporate Social Responsibility Committee (CSR Committee) which consists of the following Directors:

1. Mr. Raghunandan Dattatray Maluste (Chairman of the CSR Committee)
2. Mr. Paritosh Kashyap
3. Ms. Sujata Guhathakurta

Your Company's CSR policy sets out your Company's vision, mission, governance and CSR focus areas to fulfill its inclusive agenda across various geographies of India. The CSR Policy also highlights your Company's intent to contribute towards the economic, environmental and social growth of the nation and also reflects the organisation's commitment to contribute towards United Nation's ("UN") Sustainable Development Goals ("SDGs").

Your Company has undertaken CSR Projects with two implementing organisations in the CSR focus area of Education & Livelihood as defined under the CSR Policy.

The Company's CSR policy is available on the Company's website viz. URL: <https://kidfl.kotak.com/policies.html>



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

The 2% of Average net profit of the Company for 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 ₹ 61.88 lakh. After setting-off ₹ 1.50 lakh from the excess CSR spent of the previous FY2022-23, the total CSR obligation of the Company for FY 2023-24 is ₹ 60.38 lakh.

For the period 1st April, 2023 to 31st March, 2024, the Company's spend on CSR Project is ₹ 25.07 lakh, amount spent on CSR Administrative Overheads is ₹ 1.54 lakh. In addition an amount of ₹ 37.00 lakh which is on account of the utilised CSR Project Expenditure pertaining to ongoing CSR Projects of FY 2023-24 has been transferred to the Kotak Infrastructure Debt Fund Limited Unspent CSR Account FY 2023-24 in April 2024. Your Company is committed to utilise this unutilised CSR Project Expenditure of ongoing CSR Projects within the stipulated timelines of three years i.e. from 1st April, 2024 to 31st March, 2027.

Together with the CSR Project spend, administrative overheads and amount transferred to Unspent Account, the total CSR Expenditure for FY 2023-24 is ₹ 63.61 lakh which is an excess of ₹ 3.23 lakh over and above the total CSR obligation for FY2023-24.

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

(₹ lakh- rounded off amounts)

Name of the Unspent account	Ongoing CSR Projects to which Unspent account relates	Amount transferred to Unspent account in respective financial years	Amount disbursed from unspent accounts till date	Balance as on 31 st March, 2024
Kotak Infrastructure Debt Fund Limited Unspent CSR account FY 2020-21	FY 2020-21	20.00	20.00	NIL
Kotak Infrastructure Debt Fund Limited Unspent CSR account FY 2021-22	FY 2021-22	18.31	18.31	NIL
Kotak Infrastructure Debt Fund Limited Unspent CSR account FY 2022-23	FY 2022-23	40.38	36.50	3.88

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

The details of CSR Projects and Expenditure under Section 135 of the Act, for FY 2023-24, are annexed to this Report as Annexure I.

RISK MANAGEMENT POLICY

Pursuant to Regulation 21 of the SEBI Listing Regulations, your Company has a Risk Management Committee, details of which can be referred to in the Report on Corporate Governance forming part of this Report. While Risk Management is the responsibility of the Board of Directors, it has delegated its powers relating to monitoring and reviewing risks associated with the Company to the Risk Management Committee. Your Company has a robust Risk Management framework and the Company has also adopted a group enterprise-wide Risk Management framework supported by appropriate policies and processes for management of Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Compliance Risk, Reputation Risk, Interest Rate Risk and various other Risks. Details of identification, assessment, mitigations, monitoring and the management of these risks are mentioned in the Management's Discussion and Analysis Report appended to this Report.

EMPLOYEES

The employee strength of your Company was ten employees as of 31st March, 2024.

No employee employed throughout the year was in receipt of remuneration of ₹ 102 lakh or more per annum and no employee employed for part of the year was in receipt of remuneration of ₹ 8.5 lakh or more per month.

INFORMATION UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has in place a Policy on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal). No such instances were reported during the year.

CODE FOR PROHIBITION OF INSIDER TRADING

Your Company has adopted the Trading Code of Conduct ("Code") for prohibition of insider trading in the securities of the Company, Bank as well as in other listed and proposed to be listed companies and the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

("UPSI"). The Code, *inter alia*, prohibits dealing in securities by insiders while in possession of UPSI. The said Code has been amended, from time to time, to give effect to the various notifications/circulars of Securities and Exchange Board of India ("SEBI") with respect to the SEBI (Prohibition of Insider Trading) Regulations, 2015.

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.

Following are the foreign exchange earnings and outgo for the financial year ended on 31st March, 2024:

- (i) Foreign exchange inflow: NIL (Previous Year: NIL)
- (ii) Foreign exchange outgo: ₹ 1.49 Lakh (Previous Year: NIL).

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. your 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 had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2024 and of the profit of the Company for 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 annual accounts have been prepared 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; and
- 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.

DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any subsidiary (including step down subsidiaries), associates and joint ventures as on 31st March, 2024.

UNPAID DIVIDEND & IEPF

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF; established by the Government of India, after completion of seven years. Further, according to the IEPF Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. However, the transfer of unpaid dividend to Investor Education and Protection Fund (IEPF) is not applicable to the Company for FY 2023-24 and no amount is lying in Unpaid Dividend Account of the Company.

REPORTING OF FRAUDS BY STATUTORY AUDITORS

There was no incidence of reporting of fraud by Statutory Auditors of the Company under Section 143(12) of the Act read with Companies (Accounts) Rules, 2014.

MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There was no material change and commitment affecting the financial position of the company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

MAINTENANCE OF COST RECORDS

The Maintenance of Cost Records pursuant to Section 148(1) of the Companies Act, 2013 is not required by the Company and accordingly such accounts and records are not made and maintained by the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There is no significant or material order passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.



CHANGES IN NATURE OF BUSINESS

There is no change in the nature of business of the Company during the year.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report as required under the SEBI Listing Regulations forms part of this annual report. (Annexure V)

ANNEXURES

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

1. Annual Report on Corporate Social Responsibility Activities of the Company for the financial year ended 31st March, 2024. (Annexure I)
2. Disclosures pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. (Annexure II)
3. Secretarial Audit Report pursuant to Section 204 of the Act and Regulation 24A of the SEBI Listing Regulations. (Annexure III)
4. Report on Corporate Governance pursuant to Schedule V Part C of the SEBI Listing Regulations (Annexure IV)
5. Management Discussion and Analysis Report pursuant to Schedule V Part B of the SEBI Listing Regulations. (Annexure V)

DESPATCH OF ANNUAL REPORT

The MCA has issued General Circular No. 20/2020 dated 5th May, 2020 read with other relevant circulars, including General Circular No. 10/2022 dated 28th December, 2022 and the SEBI has issued Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, read with other relevant circulars, including Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023, in relation to 'Relaxation from compliance with certain provisions of the SEBI Listing Regulations relaxing the requirement of dispatching physical copies of the Annual Report and the Notice convening the AGM to Shareholders. Members who wish to have physical copy may write to the Chief Executive Officer / Company Secretary of the Company at veenu.singla@kotak.com / subhadra.atanur@kotak.com or submit a written request to the Registered Office of the Company. In accordance with the aforesaid circulars, the weblink of the Annual Report and the Notice convening the AGM of the Company is being sent in electronic mode only to members whose e-mail address is registered with the Company or the Depository Participant(s). Those members, whose email address is not registered with the Company or with their respective Depository Participant(s) and who wish to receive the Notice of the AGM and the Annual Report for the financial year ended 31st March, 2024, can get their email address registered by following the steps as detailed in the Notice convening the AGM. The Annual Report of your Company is available on the Company's website viz., URL: <https://kidfi.kotak.com/annual-reports.html>

ACKNOWLEDGEMENTS

The Board takes this opportunity to place on record, its gratitude for the valuable guidance and support received from the statutory and the regulatory authorities, its appreciation of the dedication and contribution of your Company's employees at all levels. The Board also acknowledges the faith reposed in the Company by the Company's lending institutions.

For **Kotak Infrastructure Debt Fund Limited**

Dipak Gupta

Director

DIN: 00004771

Place: Mumbai

Date: 24th June, 2024

Paritosh Kashyap

Director

DIN: 07656300

Place: Mumbai

Date: 24th June, 2024

Annual Report on Corporate Social Responsibility activities of the Company for the financial year 2023-24

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY.

Kotak Infrastructure Debt Fund Limited ("Company") recognises its responsibility to bring about a positive change in the lives of the communities through its business operations and Corporate Social Responsibility ("CSR") initiatives.

Your Company 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 ("SDG"). Your Company'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, your Company also endeavours to align its CSR projects and programmes with government initiated social development programmes and interventions and last but not the least, UN 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.	Mr. Raghunandan Dattatray Maluste	Chairman, Non-executive Independent Director	2	1
2.	Mr. Dipak Gupta*	Member, Non-executive Director (till 17 th October, 2023),	2	1
3.	Mr. Paritosh Kashyap	Member, Non-Executive Director	2	2
4.	Ms. Sujata Guhathakurta*	Member, Non-Executive Director (w.e.f. 17 th October, 2023)	2	1

* The CSR Committee was re-constituted wherein Ms. Sujata Guhathakurta was inducted as member of the CSR Committee and Mr. Dipak Gupta ceased to be a Member of the CSR Committee, with effect from October 17, 2023.

3. Web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company. URL: <https://kidfl.kotak.com/>

4. 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 is not mandatory for the Company as its CSR obligation is less than ₹ 10 crore (limit for mandatory Impact assessment prescribed under Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time)

5. (a) Average net profit of the company as per Section 135(5) of the Act: **₹ 3093.95 lakh**
- (b) Two percent of average net profit of the company as per Section 135(5) of the Act: **₹ 61.88 lakh**
- (c) Surplus arising out of the CSR projects, programmes, or activities of the previous financial years: **NIL**
- (d) Amount required to be set off for the financial year, if any: **₹ 1.50 lakh**
- (e) Total CSR obligation for the financial year [(b) + (c) - (d)]: **₹ 60.38 lakh**
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **₹ 25.07 lakh**
- (b) Amount spent in Administrative Overheads: **₹ 1.54 lakh**
- (c) Total amount spent for the Financial Year [(a)+(b)+(c)]: **₹ 26.61 lakh**



(d) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in lakh)	Amount Unspent (₹ in lakh)				
	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
26.61*	37.00	26 th April, 2024	N.A.	N.A.	N.A.

* includes administrative overhead cost of ₹ 1.54 lakh

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

Sl. No.	Particular	Amount (₹ in lakh)
(i)	Two percent of average net profit of the company as per Section 135(5) of the Act	61.88*
(ii)	Total amount spent for the Financial Year*	63.61**
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1.73
(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)]**	3.23 [^]

* After reducing set off available from previous year, the CSR Obligation for company is ₹ 60.38 Lakh

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

[^] Includes set off amount of previous financial year

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 Section 135(6) (₹ in lakh)	Balance Amount in Unspent CSR Account under Section 135(6) (₹ in lakh)	Amount spent in the reporting Financial Year (₹ in lakh)	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 lakh)
					Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2022-23	40.38	40.38	36.50*	N.A.	N.A.	N.A.	3.88**

*excludes refund of ₹1.27 lakh from the implementing agency received in April 2024

**includes refund of ₹1.27 lakh from the implementing agency received in April 2024

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

Yes No No

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 FY2023-24 : NIL

B. Capital assets created/ acquired from Unspent Corporate Social Responsibility spent of FY 2022-23 : 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**

Veenu Singla

Chief Executive Officer & Chief Financial Officer
PAN: BODPS9256Q

Place : Mumbai

Date : 24th June, 2024

Raghunandan Dattatray Maluste

Chairman – Corporate Social Responsibility Committee
DIN: 01302477

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
Mr. Dipak Gupta	Non-Executive Director	NA
Mr. Raghunandan Dattatray Maluste	Independent Director	0.45
Mr. Sanjeev Ramesh Shah*	Independent Director	NA
Ms. Sujata Guhathakurta	Non-Executive Director	NA
Mr. Paritosh Kashyap	Non-Executive Director	NA
Mr. Phani Shankar	Non-Executive Director	NA

* Appointed with effect from 17th October, 2023 hence Not Applicable

2. PERCENTAGE INCREASE IN REMUNERATION OF EACH DIRECTOR, CHIEF FINANCIAL OFFICER, CHIEF EXECUTIVE OFFICER, COMPANY SECRETARY OR MANAGER, IF ANY, IN THE FINANCIAL YEAR:

Name	Title	% increase in remuneration	% increase in remuneration excluding SARs
Mr. Dipak Gupta	Non-Executive Director	NA	NA
Mr. Raghunandan Dattatray Maluste	Independent Director	17%	17%
Mr. Sanjeev Ramesh Shah [^]	Independent Director	NA	NA
Ms. Sujata Guhathakurta	Non-Executive Director	NA	NA
Mr. Paritosh Kashyap	Non-Executive Director	NA	NA
Mr. Phani Shankar	Non-Executive Director	NA	NA
Mr. Veenu Singla	Chief Executive Officer & Chief Financial Officer	32%	28%
Ms. Agam Sandha [#]	Company Secretary and Compliance Officer	NA	NA
Ms. Subhadra Mallinath Atanur [*]	Company Secretary and Compliance Officer	NA	NA

[^]Appointed with effect from 17th October, 2023 hence NA

[#] Ceased to be Company Secretary and Compliance Officer with effect from 11th December, 2023

^{*}Appointed as Company Secretary and Compliance Officer with effect from 17th January, 2024

3. PERCENTAGE INCREASE IN THE MEDIAN REMUNERATION OF EMPLOYEES IN THE FINANCIAL YEAR:

35

4. NUMBER OF PERMANENT EMPLOYEES ON THE ROLLS OF COMPANY AT THE END OF THE YEAR:

10 as on 31st March, 2024

5. AVERAGE PERCENTILE INCREASE ALREADY MADE IN THE SALARIES OF EMPLOYEES OTHER THAN THE MANAGERIAL PERSONNEL IN THE LAST FINANCIAL YEAR AND ITS COMPARISON WITH THE PERCENTILE INCREASE IN THE MANAGERIAL REMUNERATION AND JUSTIFICATION THEREOF AND POINT OUT IF THERE ARE ANY EXCEPTIONAL CIRCUMSTANCES FOR INCREASE IN THE MANAGERIAL REMUNERATION:

Not applicable as most of the employees have not completed 2 years i.e. FY 2022-23 and FY 2023-24 for comparison of their salaries increase with Managerial personnel salary increase

6. AFFIRMATION THAT THE REMUNERATION IS AS PER THE REMUNERATION POLICY OF THE COMPANY:

The Company is in compliance with its Remuneration Policy.

Notes:

- Ratio of the remuneration of each Director to the median remuneration has been calculated based on the actual remuneration received for the period of office held by them as a Director during FY 2023-24 and not pro-rated for full financial year.
- 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 fixed commission.
- 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.
- 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 Ltd. on specified value dates. Cash paid out during the year is included for the purposes of remuneration.
- Percentage increase in remuneration has been given for Directors who were on the Board of the Company for entire two financial years of 2023-24 and 2022-23.



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 INFRASTRUCTURE DEBT FUND LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kotak Infrastructure Debt Fund Limited** (hereinafter called the "**Company**").

Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the **Kotak Infrastructure Debt Fund Limited** 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 authorised 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 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:

- (i) The Companies Act, 2013 (the "**Act**") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye - Laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 ("**FEMA**") and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. (**Not applicable to the Company during the audit period**);
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable: -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (**Not applicable to the Company during the audit period**);
 - (d) The Securities and Exchange Board of The Securities and Exchange Board of India (Share Based Employee Benefits Sweat Equity) Regulations, 2021; (**Not applicable to the Company during the audit period**);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (**Not applicable to the Company during the audit period**);
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (**Not applicable to the Company during the audit period**);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (**Not applicable to the Company during the audit period**);
- (vi) Other laws to the extent applicable to the Company as per the representations made by the Company namely:
 - a) All the Rules, Regulations, Directions, Guidelines and Circulars applicable to Non-Banking Financial Companies under the RBI Act, 1934.
 - b) The Prevention of Money-Laundering Act, 2002 and the Prevention of Money- Laundering (Maintenance of Records etc.) Rules, 2005

(vii) Other laws to the extent applicable to the Company as per the representations made by the Company;

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

- (i) Secretarial Standards pursuant to Section 118(10) of the Act, issued by The Institute of Company Secretaries of India as notified from time to time.
- (ii) 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 except the following:

- (i) *There was a delay in submission of notice of Record Date by 6 days under Regulation 60 (2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. A penalty of ₹ 11,800 (including GST) was levied on the Company, which was paid by the Company.*
- (ii) *The review by the Audit Committee of the compliances under Regulation 9A (4) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 was carried out after the closure of the period under review.*

I further report that

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

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

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

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

I further report that during the Audit period:

1. Issuance of listed/ unlisted, secured, redeemable Rupee bonds in the nature of non-convertible debentures for an aggregate amount of 320 crore, on a private placement basis during financial year 2023-24.
2. Mr. Sanjeev Shah was appointed as an Additional Director (Non-Executive and Independent Director) with effect from 17th October, 2023.
3. Ms. Agam Sandha resigned as a Company Secretary and Compliance Officer (Key Managerial Personnel) of the Company with effect from 11th December, 2023.
4. Ms. Subhadra Atanur was appointed as a Company Secretary and Compliance Officer (Key Managerial Personnel) of the Company with effect from 17th January, 2024.

Place: Mumbai
Date: 14th June, 2024

Rupal Dhiren Jhaveri
FCS No.: 5441
Certificate of Practice No.: 4225
UDIN: F005441F000571701
Peer review No.: 1139/2021

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



To,
The Members,

KOTAK INFRASTRUCTURE DEBT FUND LIMITED

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

'Annexure A'

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

Rupal Dhiren Jhaveri

FCS No.: 5441

Certificate of Practice No.: 4225

UDIN: F005441F000571701

Peer review No.: 1139/2021

Place: Mumbai

Date: 14th June, 2024

Report on Corporate Governance

PHILOSOPHY OF CORPORATE GOVERNANCE

Kotak Infrastructure Debt Fund Limited ("the Company") believes that Corporate Governance is a reflection of its value system, encompassing its culture, policies and its relationship with the stakeholders such as shareholders, regulators, employees, customers, vendors, government and the community at large. It is a system of practices, processes and rules which directs the affairs of an organisation in an efficient manner and helps it to maximise value for its stakeholders. It essentially involves balancing the interests of an organisation with that of its various stakeholders. Corporate Governance is more than just adherence to the regulatory and statutory requirements, it is equally about focusing on the voluntary practices that underlie the highest levels of transparency. Corporate Governance provides a framework for attaining the objectives of the Company and encompasses practically every sphere of management, from action plans and internal controls to performance measurement, ethics and corporate disclosures. Good Corporate Governance helps to build trust with the investors and the community and also helps in creating, enhancing and safeguarding long-term interest and sustainable value for all its stakeholders. The Company is committed to meet the aspirations of all its stakeholders, which is reflected in shareholder returns, awards, recognitions and decision making, resulting in a valuable relationship and trust with its stakeholders. Strong Corporate Governance practices form the foundation of the Company's consistent performance and has helped it gain the respect and long-term association of its stakeholders. The Company is committed to achieving and adhering to the highest standards of Corporate Governance and ethical practices and constantly benchmarks itself with best practices, in this regard, strengthening its governance practices. The Company's philosophy on Corporate Governance is, therefore, based on the core principles of Accountability and Responsibility, Integrity, Independence, Leadership, Excellence, Fair, Transparent and timely dealings and disclosures, Equality, Sustainability and Social Responsibility. The Board of Directors ("Board") of the Company ensures the basis of an effective Corporate Governance framework by safeguarding and enhancing the shareholders' capital, ensuring independence of the Board and effectiveness of the Management, legal compliance and responsible leadership. The Company has adopted the Codes of Conduct for Directors and employees, which lays down the values and standard of conduct that is expected from them, while performing their roles and responsibilities across various functions of the Company. The Company has also adopted the Policy on Board Diversity, Vigilance Policy, Whistle Blower Policy, Policy against Sexual Harassment in the Workplace, Policy for determination of materiality of events or information and the Insider Trading Code of Conduct.

BOARD OF DIRECTORS

The Board provides guidance to the Management and directs, oversees and supervises the activities of the Company. The responsibilities of the Company, *inter alia*, include the formulation of overall strategy for the Company, taking new initiatives, review of financial and operating performance, overseeing major capital expenditure, acquisitions, monitoring of plans, ensuring and monitoring due compliance with applicable laws, pursuing of policies and procedures, reviewing and approving the financial results, reviewing risk factors, adhering and enhancing Corporate Governance practices and ensuring the best interest of the shareholders, the community, environment and its various stakeholders. The Board is responsible for providing strategic guidance for the business and overall affairs of the Company, ensuring effective monitoring of Management and avoiding potential conflicts of interest. The reporting structure of the Company is consistent with the same. The CEO reports to the Board and is responsible for the overall performance of the business of the Company. The Board has constituted various Board and non-Board Committees to deal with matters as may be prescribed under applicable laws or directed by the Board from time to time. The Board has received declarations from the Independent Directors and after undertaking due assessment of the veracity of the same, is of the opinion that, the Independent Directors fulfil the conditions as specified in the Companies Act, 2023 ("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and are independent of the Management. Independent Directors have also complied with the provisions of sub rules (1) and (2) of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

SIZE AND COMPOSITION OF THE BOARD

The size of the Board is commensurate with the size and business of the Company. The selection and appointment of Directors of the Company and its composition is governed by the relevant provisions of the Act and the Rules thereunder, Regulation 17 of the SEBI Listing Regulations and the guidelines/regulations/circulars issued by the Reserve Bank of India ("RBI"), from time to time, and is in conformity with the same. The Board has a mix of Independent and Non-Executive Director, with one-half of the Board comprising Independent Directors. The Company's Board consists of eminent individuals having expertise and experience in various fields who understand and respect their fiduciary roles and responsibilities towards its stakeholders, including the duties prescribed under the provisions of the Act and any other applicable laws, and strive hard to meet their expectations at all times. The Board mix provides a combination of professionalism, knowledge and experience required in the lending business industry and for oversight, governance and strategic needs of the Company. The Board is well-diversified and meets the criteria prescribed under the Policy on Board Diversity adopted by the Board.

As on 31st March, 2024, the Board of Directors comprised a combination of 6 Directors, as mentioned below:

Sr. No.	Category of Directorship	Name of the Director(s)
1.	Independent Director	Mr. Raghunandan Dattatray Maluste
2.	Independent Director	Mr. Sanjeev Ramesh Shah
3.	Non-Executive Director	Mr. Dipak Gupta
4.	Non-Executive Director	Ms. Sujata Guhathakurta
5.	Non-Executive Director	Mr. Phani Shankar
6.	Non-Executive Director	Mr. Paritosh Kashyap



PROFILE OF DIRECTORS

Brief profile of all the Directors comprising their skills/expertise/competence, shareholding in the Company, their directorship in other companies (including in equity listed/debt listed entities/entities which have listed units of mutual fund schemes managed by them), are given below:

MR. RAGHUNANDAN DATTATRAY MALUSTE, NON-EXECUTIVE INDEPENDENT DIRECTOR (DIN 01302477)

Mr. Raghunandan Dattatray Maluste holds Master's degree in Business Administration from the Manchester Business School, England, and is a Fellow of the Institute of Chartered Accountants in England & Wales as well as the Institute of Chartered Accountants of India. He is also an alumnus of the Indian Institute of Technology, Bombay. Mr. Maluste is currently an Independent Director, Corporate Advisor and angel investor. He has worked in India, the United Kingdom and the Gulf as a public accountant, management consultant, journalist, advertising executive, entrepreneur, angel investor, board member of companies, trusts and societies, researcher and consultant in government, investment and private banker. Some of the organizations he has worked with are Coopers & Lybrand (now PriceWaterhouseCoopers), Lintas, the Indian Institute of Public Administration, HSBC, Kotak Mahindra Bank, CRY, Bombay Gymkhana, CSO Partners, Fomento Group, Intellectap-Aavishkar and Zenjoy Limited (Beijing). Apart from speaking regularly at professional, industry and academic events, Mr. Maluste has presented to Parliament's Standing Committee on Finance. He has been published in R&D Management (Oxford), World Affairs (New Delhi), Business India (Mumbai), etc.; been interviewed for the press, TV, and radio, and addressed live audiences on three continents.

Age	74 Years									
Date of Appointment	18 th August, 2018									
Shareholding in the Company as on 31 st March, 2024	Nil									
Board Membership in other listed entities	NIL									
Board Membership in other unlisted entities	LIC Mutual Fund Asset Management Limited									
Committee Positions in other entities	<table border="1"> <thead> <tr> <th>Company Name</th> <th>Name of the Board Committee</th> <th>Whether Chairperson or Member</th> </tr> </thead> <tbody> <tr> <td>LIC Mutual Fund Asset Management Limited</td> <td>Board Level Risk Management Committee</td> <td>Member</td> </tr> <tr> <td>LIC Mutual Fund Asset Management Limited</td> <td>Nomination and Remuneration Committee</td> <td>Member</td> </tr> </tbody> </table>	Company Name	Name of the Board Committee	Whether Chairperson or Member	LIC Mutual Fund Asset Management Limited	Board Level Risk Management Committee	Member	LIC Mutual Fund Asset Management Limited	Nomination and Remuneration Committee	Member
Company Name	Name of the Board Committee	Whether Chairperson or Member								
LIC Mutual Fund Asset Management Limited	Board Level Risk Management Committee	Member								
LIC Mutual Fund Asset Management Limited	Nomination and Remuneration Committee	Member								
Special Knowledge/Skills/Competencies/Expertise	Accounting, Finance, Risk Management, IT, Due Diligence, Corporate Restructuring									

MR. SANJEEV RAMESH SHAH, NON-EXECUTIVE INDEPENDENT DIRECTOR (DIN 02780274)

Mr. Sanjeev Ramesh Shah, has been appointed on the Board of the Company as a Non-Executive Independent Director.

Mr. Shah is currently an Investor, Advisor & Mentor to a few companies covering Sports, Education & Media He has spent the earlier part of his life as a senior Investment Banker (Kotak Investment Banking, 16 years) and then moved on to head Corp Finance, Strategy and MnA at India's largest media group (the Times of India Group, 12 years).

Mr. Shah has developed skills across investment management, business strategy, organisation building, business planning, new business development, governance, MnA deal management, equity financing and overall value creation. Mr. Shah has a deep understanding of Media, Education & Sports.

Age	56 years
Date of Appointment	17 th October, 2023
Shareholding in the Company as on 31 st March, 2024	Nil
Board Membership in other listed entities	-
Board Membership in other unlisted entities	SFA Sporting Services Private Limited
Committee Positions in other entities	NIL
Special Knowledge / Skills / Competencies / Expertise	Finance, Risk Management, IT, Due Diligence, Corporate Restructuring

MR. DIPAK GUPTA, NON-EXECUTIVE NON-INDEPENDENT DIRECTOR (DIN 00004771)

Mr. Dipak Gupta was the Managing Director & CEO of Kotak Mahindra Bank Limited, up to 31st December, 2023. He has had over three decades of experience in the financial services sector, with the last two and half decades having been spent with the Kotak Mahindra Group. At the Bank, in the past, he has overseen the functions of IT (including Cyber Security and Digital Initiatives), Internal Audit, Human Resources, Marketing, Compliance, Administration, Infrastructure and Operations as well as Treasury, Wealth Management and the Consumer Finance businesses. He was also responsible for setting up the retail business following the conversion of Kotak Mahindra Finance Limited (KMFL) into a bank.

Mr. Dipak Gupta has also played a key role in building various businesses for Kotak Mahindra Group. He was instrumental in forging the partnership between KMFL and Ford Credit International. He was the first CEO of the KMFL–Ford Credit joint venture, Kotak Mahindra Primus Limited.

He is director on the boards of Kotak Mahindra Life Insurance Limited, Kotak Mahindra Capital Company Limited, Kotak Alternate Asset Managers Limited (Chairman) and Kotak Mahindra (UK) Limited.

Age	63																																	
Date of Appointment	20 th October, 2016																																	
Shareholding in the Company as on 31 st March, 2024	NIL																																	
Board Membership in other listed entities	Kotak Mahindra Bank Limited*																																	
Board Membership in other unlisted entities	1. Kotak Mahindra Life Insurance Company Limited 2. Kotak Mahindra Capital Company Limited 3. Kotak Mahindra (UK) Limited 4. Kotak Alternate Asset Managers Limited																																	
Committee Positions in other entities	<table border="1"> <thead> <tr> <th>Company Name</th> <th>Name of the Board Committee</th> <th>Whether Chairperson or Member</th> </tr> </thead> <tbody> <tr> <td rowspan="4">Kotak Mahindra Life Insurance Company Limited</td> <td>Investment Committee</td> <td>Chairman</td> </tr> <tr> <td>Banking Committee</td> <td>Member</td> </tr> <tr> <td>Committee of Directors</td> <td>Chairman</td> </tr> <tr> <td>CSR</td> <td>Chairman</td> </tr> <tr> <td rowspan="2">Kotak Mahindra Capital Company Limited</td> <td>Audit Committee</td> <td>Member</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td rowspan="6">Kotak Alternate Asset Managers Limited</td> <td>Audit Committee</td> <td>Chairman</td> </tr> <tr> <td>NRC</td> <td>Member</td> </tr> <tr> <td>CSR</td> <td>Chairman</td> </tr> <tr> <td>Investment Committee</td> <td>Chairman</td> </tr> <tr> <td>Product Approval Committee</td> <td>Chairman</td> </tr> <tr> <td>Securities & Allotment Committee</td> <td>Chairman</td> </tr> <tr> <td></td> <td>Expense Committee</td> <td>Chairman</td> </tr> </tbody> </table>	Company Name	Name of the Board Committee	Whether Chairperson or Member	Kotak Mahindra Life Insurance Company Limited	Investment Committee	Chairman	Banking Committee	Member	Committee of Directors	Chairman	CSR	Chairman	Kotak Mahindra Capital Company Limited	Audit Committee	Member			Kotak Alternate Asset Managers Limited	Audit Committee	Chairman	NRC	Member	CSR	Chairman	Investment Committee	Chairman	Product Approval Committee	Chairman	Securities & Allotment Committee	Chairman		Expense Committee	Chairman
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Kotak Mahindra Life Insurance Company Limited	Investment Committee	Chairman																																
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Special Knowledge / Skills / Competencies / Expertise	Accounting, Finance, Risk Management, IT, Due Dilligence, Corporate Restructuring																																	

*Mr. Dipak Gupta was the Managing Director of Kotak Mahindra Bank Limited up to 31st December, 2023

MS. SUJATA GUHATHAKURTA, NON-EXECUTIVE NON-INDEPENDENT DIRECTOR (DIN 08099266)

Ms. Sujata Guhathakurta is an MBA and Cost Accountant. Ms. Guhathakurta is Senior Executive Vice President & Head Debt Capital Markets at Kotak Mahindra Bank. She is a part of the Kotak Leadership Team. She has over 25 years of work experience, within the Kotak Group, spanning the areas of Bond & Loan Syndication, Structured Products, and Trading in Fixed Income Securities. She has been spearheading efforts of the bank in the space of structuring & syndicating across fixed income products, spanning across Loans, Bonds & Structured Products for the past 10 years. Prior to that, she used to Head the Sales & Trading Desk for the Bank's Treasury.

Age	55 years
Date of Appointment	29 th March, 2018
Shareholding in the Company as on 31 st March, 2024	NIL
Board Membership in other listed entities	NIL
Board Membership in other unlisted entities	NIL
Committee Positions in other entities	NIL
Special Knowledge / Skills / Competencies / Expertise	Accounting, Finance, Risk Management, IT, Due Diligence, Corporate Restructuring

MR. PHANI SHANKAR, NON-EXECUTIVE NON-INDEPENDENT DIRECTOR (DIN: 09663183)

Mr. Phani Shankar is currently President and Co-Head of Financial Markets, Kotak Mahindra Bank and will be taking over as Head – Credit from 01st July 2022.

Mr. Shankar joined Kotak Mahindra Bank as part of the merger of ING Vysya Bank with Kotak in 2015. He was Head of Financial Markets in ING Vysya Bank for about 8 years. Post-merger, he headed the FX Sales vertical within Treasury before taking over as Co-Head in 2020. He worked with Standard Chartered Bank and IDBI Bank in Financial Markets before joining ING Vysya Bank.

Mr. Shankar has handled various areas of Financial Markets including ALM, Trading and Sales. He was also a member of the Credit Committee of KMB for about 3 years.



Mr. Shankar is an engineer from NIT Allahabad and did his PG Diploma in Business Management from IIM Ahmedabad.

Age	55 Years															
Date of Appointment	5 th July, 2022															
Shareholding in the Company as on March 31, 2024	Nil															
Board Membership in other listed entities	Kotak Mahindra Investment Limited*															
Board Membership in other unlisted entities	Nil															
Committee Positions in other entities	<table border="1"> <thead> <tr> <th>Company Name</th> <th>Name of the Board Committee</th> <th>Whether Chairperson or Member</th> </tr> </thead> <tbody> <tr> <td>Kotak Mahindra Investment Limited</td> <td>Risk Management Committee</td> <td>Member</td> </tr> <tr> <td></td> <td>Audit Committee</td> <td>Member</td> </tr> <tr> <td></td> <td>Credit Committee</td> <td>Member</td> </tr> <tr> <td></td> <td>Investment Committee</td> <td>Member</td> </tr> </tbody> </table>	Company Name	Name of the Board Committee	Whether Chairperson or Member	Kotak Mahindra Investment Limited	Risk Management Committee	Member		Audit Committee	Member		Credit Committee	Member		Investment Committee	Member
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Kotak Mahindra Investment Limited	Risk Management Committee	Member														
	Audit Committee	Member														
	Credit Committee	Member														
	Investment Committee	Member														
Special Knowledge / Skills / Competencies / Expertise	Accounting, Finance, Risk Management, IT, Due Diligence, Corporate Restructuring															

MR. PARITOSH KASHYAP, NON-EXECUTIVE NON-INDEPENDENT DIRECTOR (DIN 07656300)

Mr. Paritosh Kashyap, is a Chartered Accountant and Cost & Works Accountant. He is the President and Business Head – Wholesale Bank at Kotak Mahindra Bank Limited ("Bank"). He has played a pivotal role in spearheading the structured finance, real estate and debt capital market business in his 27 years association with the Bank. On 1st July, 2022, Mr. Paritosh Kashyap took charge of the Wholesale Bank business at the Bank. Prior to that, he was responsible for all Large Corporate business, Real Estate Lending, Structured Finance, Infrastructure, Banking & Financial Institutions Group and Debt Capital Markets. He continues to have oversight responsibility as a Director of Kotak Mahindra Investment Limited. A member of the Kotak Leadership Group, Mr. Kashyap has extensive experience dealing with Large Corporates and NBFCs and advising them on capital structuring, financing, and securitization. He has originated, structured, and led many structured financing transactions, including acquisition financing, sponsor financing, securitization, Cross border, High Yield Credit, etc.

Age	55 Years															
Date of Appointment	24 th May, 2022															
Shareholding in the Company as on 31 st March, 2024	Nil															
Board Membership in other listed entities	Kotak Infrastructure Debt Fund Limited^															
Board Membership in other unlisted entities	Nil															
Committee Positions in other entities	<table border="1"> <thead> <tr> <th>Company Name</th> <th>Name of the Board Committee</th> <th>Whether Chairperson or Member</th> </tr> </thead> <tbody> <tr> <td>Kotak Mahindra Investment Limited</td> <td>Audit Committee</td> <td>Member</td> </tr> <tr> <td></td> <td>Credit Committee</td> <td>Member</td> </tr> <tr> <td></td> <td>Risk Management Committee</td> <td>Member</td> </tr> <tr> <td></td> <td>Investment Committee</td> <td>Member</td> </tr> </tbody> </table>	Company Name	Name of the Board Committee	Whether Chairperson or Member	Kotak Mahindra Investment Limited	Audit Committee	Member		Credit Committee	Member		Risk Management Committee	Member		Investment Committee	Member
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	Credit Committee	Member														
	Risk Management Committee	Member														
	Investment Committee	Member														
Special Knowledge / Skills / Competencies / Expertise	Accounting, Finance, Risk Management, IT, Due Diligence, Corporate Restructuring															

Notes for brief profile of Directors:

- None of the Directors on the Board hold directorships in more than ten public companies and serve as Directors or as Independent Directors in more than seven listed entities. Further, the Executive Directors of the Company do not serve as Independent Directors in any company.
- None of the Directors on the Board of the Company are members of more than ten committees and Chairpersons of more than five committees across all public companies in which he/she is a Director. For the purpose of the determining the limit, membership and chairpersonship of the Audit Committee and the Stakeholders Relationship Committee only have been taken into consideration. All the Directors have made disclosures regarding their membership on various committees in other companies.

BOARD DIVERSITY

Keeping in view the significance of having a diverse Board and to harness the unique and individual skills and experiences of its members in such a way that it collectively benefits the Company in achieving its mission and objectives, the Board of the Company has adopted the Policy on Board Diversity. Emphasis is given to maintain diversity of thoughts, experience, knowledge, education, skills, perspective, culture, age and gender, while scrutinising candidature for appointment of Directors on the Company's Board. The Board Diversity, *inter alia*, helps in ensuring (i) a balanced Board, with a wide range of attributes of its members; (ii) appropriate blend of functional and domain expertise on the Board; (iii) adequate representation of women on the Board; (iv) appropriate qualifications, expertise, experience and skills-mix on the Board and (v) adherence to the legal requirements, including the Fit and Proper criteria of the RBI, while appointing Directors on the Board. The Board has identified and believes that, the skills/competencies/expertise, as mentioned in the 'Profile of Directors' above, are required for the business of the Company and the Directors of the Company possess these skills/competencies/expertise to function effectively. The names and categories of the Directors on the Board of the Company, the number of directorships and Committee positions held by the Directors in other entities as on 31st March, 2024, as also the areas of specialisation and expertise of the Directors, are mentioned in the section on 'Profile of Directors' of this report.

SUCCESSION PLANNING

With a view to ensuring a continuous pipeline of internal and external talent for the Board (Executive Directors) and the Senior Leadership positions, such as the CEO, the Key Managerial Personnel and other Senior Management Personnel. The Board of the Company has put in place a 'Succession Plan Policy for Board and Key Managerial Personnel.

CERTIFICATE ON NON-DEBARMENT OR NON-DISQUALIFICATION OF THE DIRECTORS

In terms of Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, the Company has obtained a certificate from Ms. Rupal D. Jhaveri, Practising Company Secretary, dated 25th May, 2024, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the companies either by Securities and Exchange Board of India ("SEBI") or Ministry of Corporate Affairs ("MCA") or any other statutory/regulatory authority. The same is annexed with this Report on Corporate Governance.

BOARD MEETINGS

SCHEDULING AND SELECTION OF AGENDA ITEMS FOR BOARD MEETINGS

The Board meetings are convened by giving appropriate notice after obtaining the approval of the Chairperson and the CEO. The Board meets once a quarter to review the financial results and meets once a year for approval of annual budgets, strategy and when necessary, for such other matters as required under the applicable laws and for business exigencies. The Board also reviews business strategy, financial reports and their integrity, risk, compliance, customer protection, financial inclusion and human resources. As required and when necessary, additional meetings are held. Dates of the Board meetings are decided in advance.

The agenda of the Board meeting is prepared by the Company Secretary. The agenda notes are prepared in consultation with the concerned officials of the respective divisions/departments and are approved by the CEO.

Every Director is free to suggest matters for including in the meetings of the Board. All divisions/departments in the Company are encouraged to plan projects/ activities of their functions well in advance, particularly with regard to matters requiring discussion/approval/decision at the Board/Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the agenda for the Board meetings.

The agenda and agenda notes are circulated to the Board by the Company Secretary, in advance. Additional items on the agenda are permitted with the permission of the Chairperson and with the consent of all the Directors present at the meeting.

The Board is presented with important information on the operations of the Company as well as that which requires deliberation at the highest level. Such Information includes minimum information required to be placed before the Board as per applicable law and on various other critical items such as annual operating plans and budgets, capital budgets, quarterly results, minutes of meetings of the Committees, changes in the economy and regulatory policies, as also media releases by the Company.

There were no other pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company (except transactions in the ordinary course of business and on arm's length basis) during FY 2023-24.

To address specific urgent needs, meetings are also convened at a shorter notice. In case of business exigencies or urgency of matters, resolutions are also passed by the Board through circulation. Audio/video conference calls are arranged to enable the Directors to discuss, in detail, the items to be approved by circulation and seek clarification as may be required and/or discussed with individual directors, when requested. The agenda papers for meetings of the Board are uploaded on a secured web-based portal and can be easily accessed on a tablet device or laptop or computer.

The Company also provides an option to its Directors to attend the Board/Committee meetings electronically through Audio/Video conferencing in accordance with the provisions of applicable laws.

MEETINGS AND ATTENDANCE

During FY 2023-24, 13 meetings of the Board of Directors were held, on 20th April 2023, 17th May, 2023, 14th June, 2023, 10th July, 2023, 17th July, 2023, 23rd August, 2023, 17th October, 2023, 5th December, 2023, 28th December, 2023, 17th January, 2024, 15th February, 2024, 13th March, 2024 and 26th March, 2024. The details of attendance of the Directors at these meetings and at the last Annual General Meeting ("AGM") are, as under:

Name of Director(s)	Number of Board meetings the Director was entitled to attend during FY 2023 -24	Number of Board meetings attended during FY 2023 - 24	% of Attendance of the Director	Attendance at the last AGM held on 5 th July, 2023
Mr. Raghunandan Dattatray Maluste	13	11	84.61%	Yes
Mr. Sanjeev Ramesh Shah ¹	7	7	100%	NA
Mr. Dipak Gupta	13	10	76.92%	No
Ms. Sujata Guhathakurta	13	12	92.30%	Yes
Mr. Paritosh Kashyap	13	12	92.30%	Yes
Mr. Phani Shankar	13	12	92.30%	Yes

¹ Mr. Sanjeev Ramesh Shah was appointed with effect from 17th October 2023.



SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

During the year under review, one meeting of the Independent Directors of the Company was held on 6th March, 2024. The said meeting was held without the presence of Non-Independent Directors and members of the Management. All the Independent Directors of the Company attended the meeting.

At the meeting of the Independent Directors held on 6th March, 2024, the Independent Directors evaluated the performance for FY 2023-24, of the Non-Independent Directors, the Board as a Whole, Chairperson of the Board, after taking into account the views of the Executive Directors and Non-Executive Directors.

DIRECTORS' REMUNERATION

The Directors' Remuneration is determined in accordance with the provisions of the Companies Act, the Act, various guidelines and circulars issued by the Ministry of Corporate Affairs from time to time and the provisions of the Compensation Policy for the Employees Non-Executive Directors Independent Directors of the Company. The respective Compensation Policies are available on the Companies' website viz., URL: <https://kidfi.kotak.com/policies.html>

The remuneration paid to the Non-Executive Directors Independent Directors is recommended by the Nomination and Remuneration Committee, to the Board for its approval. The Board, based on the recommendation of the Nomination and Remuneration Committee, considers and decides the annual remuneration of Non-Executive Directors Independent Directors, within the overall limit approved by the members of the Company.

- A) The details of remuneration paid to the Executive Directors of the Company during FY 2023-24 were, as under: NIL
- B) During the year under review, Mr. Veenu Singla was granted Employee Stock Options ("ESOPs") as Chief Executive Officer, as under: NIL
- C) The details of sitting fees and fixed remuneration of Non-Executive Directors, for FY 2023-24, are, as under:

(₹ in lakh)

Name of Director(s)	Sitting Fees	Fixed Remuneration
Mr. Raghunandan Dattatray Maluste	13.20	5.00
Mr. Sanjeev Ramesh Shah	4.50	2.50
Mr. Dipak Gupta	NA	NA
Ms. Sujata Guhathakurta	NA	NA
Mr. Paritosh Kashyap	NA	NA
Mr. Phani Shankar	NA	NA

Notes:

- As per the Compensation Policy, Fixed Remuneration is computed on a pro-rata basis if a Non-Executive Director holds directorship for a part of the financial year, based on the number of quarters for which such Director was on the Board (with a part of quarter considered as a full quarter).
- The relevant disclosure with regard to criteria for making payments to Non-Executive Directors is given in the Directors' Report.

COMMITTEES OF THE BOARD OF DIRECTORS

COMPOSITION, ROLE AND MEETING DETAILS OF BOARD COMMITTEES

The Board has constituted several Board and Non-Board Committees to deal with specific matters and has delegated powers for different functional areas, as required under the Companies Act, the SEBI Listing Regulations and the various applicable regulations, guidelines, notifications, directions, circulars, etc. issued from time to time by the Ministry of Corporate Affairs. These Committees monitor the activities falling within their specific terms of reference and support the Board in discharging its functions.

The details of Board Committees are, as under:

AUDIT COMMITTEE

COMPOSITION:

- Mr. Raghunandan Dattatray Maluste (Chairman)
- Mr. Sanjeev Ramesh Shah (with effect from 17th October 2023)
- Ms. Sujata Guhathakurta
- Mr. Paritosh Kashyap (till 17th October 2023)

The quorum requirement for the meetings of the Audit Committee is the presence of two members, including at least two of the members attending the meeting being Independent Directors. The composition of this Committee, is in line with the provisions of the Act, SEBI Listing Regulations.

All the members of the Audit Committee are Non-Executive Directors and more than two-thirds of the members are Independent Directors of the Company. All the members of the Audit Committee are financially literate in terms of Regulation 18 of the SEBI Listing Regulations and have the ability to read and understand financial statements. The Audit Committee also possess the requisite accounting and financial management expertise.

The constitution and composition of the Audit Committee is in accordance with the provisions of Section 177 of the Act read with relevant rules made thereunder, Regulation 18 of the SEBI Listing Regulations. The Company Secretary acts as the Secretary to the Audit Committee. Mr. Raghunandan Dattatray Maluste, Chairperson of the Audit Committee, was present at the last AGM to answer the queries of the members.

The Company has adopted an Internal Guidelines on Corporate Governance for the Audit Committee of the Board of Directors which includes the composition, quorum, periodicity, roles, responsibilities and duties and powers of the Audit Committee.

Meetings and Attendance:

During the year, 6 meetings of the Audit Committee were held on 20th April 2023, 17th May, 2023, 14th June, 2023, 17th July, 2023, 17th October, 2023, and 17th January, 2024.

Name of Director(s)	Attendance	% of Attendance of the Director
Mr. Raghunandan Dattatray Maluste	6/6	100
Mr. Sanjeev Ramesh Shah*	1/1	100
Ms. Sujata Guhathakurta	6/6	100
Mr. Paritosh Kashyap*	5/5	100

**During the year under review, the Audit Committee of the Board was re-constituted with effect from 17th October, 2023 wherein Mr. Paritosh Kashyap ceased to be a member and Mr. Sanjeev Ramesh Shah was inducted as the new Audit Committee member, with effect from 17th October 2023.*

The terms of reference of the Audit Committee, as amended and forming part of its comprehensive Charter document are, as follows:

- Review and monitor the auditor’s independence and performance, and effectiveness of audit process;
- Recommend appointment, remuneration and terms of appointment of auditors of the company;
- Examination of the financial statement and the auditors’ report thereon;
- Approval or any subsequent modification of transactions of the company with related parties;
- Omnibus approval for related party transactions proposed to be entered into by the company subject to such conditions as may be prescribed;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- approve, review and monitor the Risk Based Internal Audit Plan each year;
- review inspection conducted by the Regulators and approve action plans for corrective actions;
- review of accounting policy, financial operating systems and audit reports;
- Monitoring the end use of funds raised through public offers and related matters;
- Investigate into any of the above matter or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.
- Call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
- review of compliance with regulatory guidelines;
- review of pending litigations, if any;
- review compliance of the SEBI (PIT) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are operating effectively;
- To carry out such other functions and do all such acts as may be required from time to time under the applicable laws.

Besides the members of the Audit Committee, meetings of the Audit Committee are generally attended by invitees who are representatives of the Management. The Statutory Auditors are invited to attend the meetings of the Audit Committee, wherein financials are adopted.

NOMINATION AND REMUNERATION COMMITTEE

Composition:

- Mr. Raghunandan Dattatray Maluste (Chairman)
- Mr. Sanjeev Ramesh Shah (with effect from 17th October 2023)
- Ms. Sujata Guhathakurta
- Mr. Dipak Gupta (till 17th October 2023)



The quorum requirement for the meetings of the Nomination and Remuneration Committee ("NRC") of the Company is the presence of two members, however at least one Independent Director must be present. The Company Secretary acts as the Secretary to NRC.

The constitution and composition of NRC is in accordance with the provisions of Section 178 of the Act read with relevant rules made thereunder, Regulation 19 of the SEBI Listing Regulations.

Mr. Raghunandan Dattatray Maluste, Chairperson of NRC, was present at the last AGM to answer the queries of the members.

Meetings and Attendance:

During the year, seven meetings of NRC were held on 20th April 2023, 28th April 2023, 14th June, 2023, 24th November, 2023, 17th January, 2024, 13th March, 2024 and 26th March, 2024.

Name of Director(s)	Attendance	% of Attendance of the Director
Mr. Raghunandan Dattatray Maluste (Chairman)	6/7	85.71%
Mr. Sanjeev Ramesh Shah (with effect from 17 th October, 2023)*	3/4	75.00%
Mr. Paritosh Kashyap	6/7	85.71%
Mr. Dipak Gupta*	3/3	100.00%

* During the year under review, the NRC of the Board was re-constituted with effect from 17th October, 2023, wherein Mr. Dipak Gupta ceased to be a member and Mr. Sanjeev Ramesh Shah was inducted as the new NRC member.

The terms of reference of the NRC, as amended and forming part of its comprehensive Charter document are, as follows:

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the board their appointment and removal.
- formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees;
- Specify the manner for effective evaluation of performance of board, its committees and individual directors to be carried out either by the board, by the nomination and remuneration committee or by an independent external agency and review its implementation and compliance.
- While formulating the policy ensure that—
 - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
 - c. diversity of board of directors; and
 - d. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- To carry out such other functions and do all such acts as may be required from time to time under the applicable laws.

The details of the performance evaluation criteria for Independent Directors of the Company have been mentioned in the Directors' Report. Further, the Company has Board approved Compensation Policy for Independent Directors' in order to appropriately compensate them for bringing in professionalism to the Company's Board.

STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition:

Mr. Raghunandan Dattatray Maluste (Chairman)
 Mr. Paritosh Kashyap (Member)
 Ms. Sujata Guhathakurta (Member)

The quorum requirement for the meetings of the Stakeholders Relationship Committee ("SRC") is the presence of two members. The Company Secretary functions as the Compliance Officer under the SEBI Listing Regulations and acts as the Secretary of SRC.

The constitution and composition of SRC is in accordance with the provisions of Section 178 of the Act read with relevant rules made thereunder, Regulation 20 of the SEBI Listing Regulations, with effect from 17th October, 2023.

Mr. Raghunandan Dattatray Maluste, Chairperson of SRC was present at the last AGM to answer the queries of the members.

Meetings and Attendance:

During the year, the SRC meeting was not held hence attendance and % of Attendance of the Director is not applicable section in this report.

The terms of reference of SRC, as amended and forming part of its comprehensive Charter document are, as follows:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the company.

During the year under review, Nil investor complaints were received and no complaint was pending as on 31st March, 2024. The Company was levied with penalty by BSE Limited, of rupees ten thousand with taxes for the delay in intimation of Record Date. The Company has paid the penalty amount and the Company has also applied for waiver of the aforesaid penalty and informed to BSE that there is a set process in place for reporting to BSE, however, the same shall be reinforced and tightened further to ensure that the similar instances does not recur.

Further, No penalties or strictures were imposed on the Company by Securities and Exchange Board of India or any other statutory authority on any matter related to capital markets, during the last three years.

RISK MANAGEMENT COMMITTEE

Composition:

Mr. Phani Shankar (Chairman) (with effect from 17th October 2023)
 Mr. Dipak Gupta (Member)
 Mr. Raghunandan Dattatray Maluste (Member)
 Mr. Sanjeev Ramesh Shah (Member) (with effect from 17th October 2023)
 Mr. Paritosh Kashyap (Member)

The quorum requirement for the meetings of the Risk Management Committee (“RMC”) is the presence of three members, including at least one Independent Directors, of which, one member having professional expertise/qualification in Risk Management. The Company Secretary acts as the Secretary to RMC. The constitution and composition of RMC is in accordance with the provisions of Regulation 21 of the SEBI Listing Regulations.

Meetings and Attendance:

During the year, four meetings of RMC were held on 30th June, 2023, 25th September 2023, 21st December, 2023 and 26th March, 2024.

Name of Director(s)	Attendance	% of Attendance of the Director
Mr. Phani Shankar (Chairman)	4/4	100
Mr. Dipak Gupta (Member)*	2/4	50%
Mr. Raghunandan Dattatray Maluste (Member)*	2/2	100
Mr. Sanjeev Ramesh Shah (Member)*	0/2	0%
Mr. Paritosh Kashyap (Member)	3/4	75%

* During the year under review, the RMC of the Board was re-constituted with effect from 17th October 2023, as below;

o Mr. Dipak Gupta ceased to be a Chairman.

o Mr. Raghunandan Dattatray Maluste was inducted as the new RMC Chairman and Mr. Sanjeev Ramesh Shah has been inducted as new RMC Members.

The terms of reference of the RMC, as amended and forming part of its comprehensive Charter document are, as follows:

Risk Management Committee (RMC) (Board) exercises supervisory power in connection with the risk management of the company, monitoring of the exposures, reviewing adequacy of risk management process, reviewing internal control systems, ensuring compliance with the statutory/regulatory framework of the risk management process.



CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Composition:

Mr. Raghunandan Dattatray Maluste (Chairman)
 Ms. Sujata Guhathakurta (Member) (with effect from 17th October, 2023)
 Mr. Paritosh Kashyap (Member)
 Mr. Dipak Gupta (Member) (till 17th October, 2023)

The quorum requirement for the meetings of Corporate Social Responsibility ("CSR") Committee is, the presence of two members. The Company Secretary acts as the Secretary of CSR Committee.

The constitution and composition of the CSR Committee is in accordance with the provisions of Section 135 of the Act read with relevant rules made thereunder.

Meetings and Attendance:

During the year, three meetings of CSR Committee were held on 26th May, 2023, 17th January, 2024.

Name of Director(s)	Attendance	% of Attendance of the Director
Mr. Raghunandan Dattatray Maluste (Chairman)	1/2	50%
Ms. Sujata Guhathakurta (Member) (with effect from 17 th October, 2023)*	1/1	100%
Mr. Paritosh Kashyap (Member)	2/2	100%
Mr. Dipak Gupta (Member) (till 17 th October, 2023)*	1/1	100%

* During the year under review, the CSR Committee of the Board was re-constituted with effect from 17th October, 2023, wherein Mr. Dipak Gupta ceased to be a Member and Ms. Sujata Guhathakurta was inducted as a new CSR member.

The terms of reference of the CSR Committee, as amended and forming part of its comprehensive Charter document are, as follows:

The Committee is responsible to monitor, review and approve CSR initiatives and expenditure. The Committees shall make recommendations to the Board on CSR policy and related matters.

IT STRATEGY COMMITTEE

Composition:

Mr. Raghunandan Dattatray Maluste (Chairman)
 Mr. Paritosh Kashyap
 Mr. Veenu Singla

The quorum requirement for the meetings of the IT Strategy Committee ("ITSC") is the presence of two members. The Company Secretary acts as the Secretary to ITSC. The constitution and composition of ITSC is in accordance with the provisions of RBI Regulations.

Meetings and Attendance:

During the year, three meetings of ITSC were held on 15th June, 2023, 14th December, 2023 and 20th March, 2024.

Name of Director(s)	Attendance	% of Attendance of the Director
Mr. Raghunandan Dattatray Maluste (Chairman)	3/3	100%
Mr. Paritosh Kashyap	3/3	100%
Mr. Veenu Singla	3/3	100%

Post completion of the financial year, the ITSC of the Company was re-constituted with effect from 01st April, 2024, as below;

- o Mr. Raghunandan Dattatray Maluste ceased to be a Chairman and Mr. Baswa Ashok Rao Shankar was inducted as the new ITSC Chairman.
- o Mr. Veenu Singla ceased to be the ITSC Member.
- o The ITSC Committee was further re-constituted wherein Mr. Paritosh Kashyap ceased to be a Member and Ms. Sujata Guhathakurta was inducted as a new Committee member w.e.f 23rd April, 2024.

The terms of reference of the ITSC, as amended and forming part of its comprehensive Charter document are, as follows:

- Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;

- Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
- Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
- Ensuring proper balance of IT investments for sustaining Company's growth and becoming aware about exposure towards IT risks and controls.
- Such other matter as maybe required under the statutory provisions, from time to time.

WHISTLE BLOWER COMMITTEE

Composition:

Mr. Raghunandan Dattatray Maluste (Chairman)
 Mr. Dipak Gupta
 Mr. Paritosh Kashyap

The quorum requirement for the meetings of the Whistle Blower Committee is Chairperson and any one member.

Meetings and Attendance:

The members of the Whistle Blower Committee will meet as and when required, During the period under review since the Company had not received any Whistle Blower events hence no meeting was required to be scheduled.

The Whistle Blower committees assist Audit Committee in discharging their duties with regards to the list that was dotted down in Whistle Blower Policy.

The Company has below mentioned non Board Committee in place in accordance with other relevant laws / regulations;

- Asset Liability Committee;
- Grievance Committee and
- Expense Committee.

CODE OF CONDUCT

The Company has adopted Kotak Mahindra Bank's Codes of Conduct, which are applicable to the Board and Employees including Senior Management Personnel, respectively. All the Directors of the Board and Senior Management Personnel of the Company have affirmed compliance with their respective codes.

FAMILIARISATION PROGRAMME FOR NON-EXECUTIVE DIRECTORS

The Company believes in familiarising the Independent Directors and Non-Executive Directors with the nature of the industry in which the Company operates, business model and other important matters relating to the Company's business through induction programmes at the time of their appointment.

The complete details of the familiarisation programmes conducted for the Directors of the Company are available on the Company's website viz., URL <https://kidfi.kotak.com/investors-debt-grievances.php>.

INDUCTION PROGRAMME FOR NEW DIRECTORS

Presentations were made to familiarise the new Directors with the nature of the industry in which the Company operates. Session were conducted covering areas, such as, Company's Structure/Overview, Business Strategy Financials, the Act and SEBI Listing Regulations (important provisions), Wholesale Bank, Human Resources, Wealth Management, Information Technology, Treasury, Asset Management, Insurance, Risk, Compliance Internal Audit and CSR.

FEES PAID TO THE STATUTORY AUDITORS

The Profit and Loss Account of the Company include the following fees paid/payable to the statutory auditors:

Auditor's Name	Statutory/ Audit Fees	Other Matters	Total
M/s Gokhale & Sathe, Chartered Accountants	850,000	100,000	950,000



SHAREHOLDER RELATED INFORMATION

GENERAL MEETINGS

During the last three years, the General Meetings of the Shareholders of the Company held were as detailed below:

General Meetings	Day, Date, Time and Location	Special Business
Thirty-Third Annual General Meeting ("AGM")	Monday, 27 th September, 2021	Special Business: <ol style="list-style-type: none"> Approve payment of annual commission for the FY 2019 -20 of ₹ 4 lakh each to the Independent Directors of the Company. Approve issue of debentures of the Company on private placement basis.
Thirty-Fourth Annual General Meeting	Wednesday, 24 th August, 2022	Special Business: <ol style="list-style-type: none"> Appointment of Mr. Paritosh Kashyap (DIN: 07656300) as a Non-Executive Director of the Company. Appointment of Mr. Phani Shankar (DIN: 09663183) as a Non-Executive Director of the Company Approval of payment of commission to the Independent Directors of the Company Issuance of Non-Convertible Debentures (both secured and unsecured) upto an amount not exceeding ₹ 900 crore
Thirty-Fifth Annual General Meeting	Wednesday, 5 th July, 2023	Special Business: <ol style="list-style-type: none"> Re-appointment of Mr. Raghunandan Dattatray Maluste (DIN:01302477) as an independent Director of the Company. Approval for payment of fixed remuneration to Mr. Raghunandan Dattatray Maluste. Approval for issuance of rupee bonds upto an amount not exceeding Rupees Three Thousand Nine Hundred and Thirty Five Crore only. Approval for creation of security interest by the Company over the undertaking or substantially the whole of the undertaking of the Company.
Extraordinary General Meeting ("EGM") EGM 1-2023-24	Tuesday, 17 th October, 2023	Special Business: Appointment of Mr. Sanjeev Ramesh Shah (DIN: 02780274), as an Independent Director of the Company hold office up to 16 th October 2028

POSTAL BALLOT

No postal Ballot was done during the period under review.

FINANCIALS COMPLIANCE CALENDAR

For each calendar quarter, the quarterly and annual standalone and consolidated financial results of the Company are reviewed and taken on record/approved by the Board, within the statutory prescribed time period and then disclosed to the Stock Exchanges as required under Regulation 52 read with sub-para 4 of Para A of Part A of Schedule III of the SEBI Listing Regulations. The said financial results are posted on the website of the Company and are available for the current as well as last eight financial years.

BOARD MEETING CALENDAR FOR FY 2024-25

Standalone and Consolidated Financial Results for:	Tentative Date
Quarter ended 30 th June, 2024 (unaudited)	16 th July, 2024
Quarter and half year ended 30 th September, 2024 (unaudited)	18 th October, 2024
Quarter and nine month ended 31 st December, 2024(unaudited)	15 th January, 2025
Financial year/quarter ended 31 st March, 2025 (audited)	30 th April 2025

The Annual General Meeting to consider such annual accounts is held in the second quarter of the financial year.

RUPEE BONDS

Company has issued Secured, Rated, Listed, Redeemable Rupee Bonds. The Bonds are non- convertible in nature on private placement basis and the same is listed on BSE Limited.

Details of outstanding bond as on 31st March 2024 is as below:

ISIN	Description	Quantity	Face value	Amount (in Lakh)	BSE Scrip Code	BSE Symbol
INE905Y07043	9.15% SECURED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES KIDF/2019-20/001. DATE OF MATURITY 28/06/2024	1000	1000000	1,000,000,000.00	958808	915KIDFL24
INE905Y07050	7.97% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE BOND LETTER OF ALLOTMENT SERIES SPM1122 TRANCHE 1 DATE OF MATURITY 17/12/2027	900	1000000	900,000,000.00	974398	797KIDF27
INE905Y07068	7.97% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE BOND TRANCHE SPM 122022/01 DATE OF MATURITY 17/02/2028.	1200	1000000	1,200,000,000.00	974485	797KIDF28
INE905Y07076	8.30% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE BOND TRANCHE 01 DATE OF MATURITY 19/05/2028	20500	100000	2,050,000,000.00	974690	83KIDFL28
INE905Y07084	8.29% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE BOND TRANCHE 02 DATE OF MATURITY 20/07/2028	5000	100000	500,000,000.00	974746	829KIDFL28
INE905Y07092	8.05% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE BOND DATE OF MATURITY 29/08/2028	11000	100000	1,100,000,000.00	974945	805KIDFL28
INE905Y07100	8.07% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE BOND DATE OF MATURITY 26/10/2028	8500	100000	850,000,000.00	974995	807KIDFL28
INE905Y07118	8.2030% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE BOND IN NATURE OF DEBENTURE DATE OF MATURITY 21/11/2030	12500	100000	1,250,000,000.00	975316	820KIDF30

TRANSFER OF UNCLAIMED DIVIDEND AND SHARES/FRACTIONAL ENTITLEMENTS TO THE INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to Sections 124 and 125 of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("Rules"), any dividend/sale proceeds of fractional shares arising out of merger and amalgamation which remains unpaid or unclaimed for a period of seven years from the date of its transfer to the unpaid account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, all shares in respect of which the dividend has not been paid or claimed for seven consecutive years or more shall also be transferred to IEPF Authority. During the financial year 2023-24, the Company has not transferred any amount to IEPF.

SHAREHOLDING - EQUITY SHARES

Category	As on 31 st March, 2024		As on 31 st March, 2023	
	No. of Equity Shares held	% of Equity Shares	No. of Equity Shares held	% of Equity Shares
Promoter & Promoter Group Holding	3,099,999,940	99.99	3,099,999,940	99.99
Nominee of Promoter	60	0.01	60	0.01

DISCLOSURES

- During FY 2023-24, the Company has not entered into any materially significant transactions with its related parties or related parties of its subsidiaries, which could lead to a potential conflict of interest between the Company and these parties. The Company has also not entered into any material financial or commercial transactions with its subsidiaries and other related parties as per AS-18 and the SEBI Listing Regulations that may have potential conflict with the interest of the Company at large. During FY 2023-24, none of the related party transactions of the Company exceeded the applicable materiality threshold. During FY 2022-23, there were no related party transactions by the Company which were not in the ordinary course of business or not at an arm's length basis.

The Audit Committee reviews the Related Party Transactions of the Company on a quarterly basis. The Company's Policies on dealing with Related Party Transactions, determining 'material' subsidiaries and determination of materiality of events or information are available on the Company's website viz., URL: <https://kidfi.kotak.com/investors-debt-grievances.php>



- There were no instances of non-acceptance of any recommendations of the Board level Committees by the Board.
- The Company was levied with penalty by BSE Limited, of rupees ten thousand with taxes for the delay in intimation of Record Date. The Company has paid the penalty amount and the Company has also applied for waiver of the aforesaid penalty and informed to BSE that there is a set process in place for reporting to BSE, however, the same shall be reinforced and tightened further to ensure that the similar instances does not recur. Further, No penalties or strictures were imposed on the Company by Securities and Exchange Board of India or any other statutory authority on any matter related to capital markets, during the last three years.
- None of the Directors are related to any other Director.
- The Company has adopted a Whistle Blower Policy. It covers not just employees and directors, but also suppliers, vendors, service providers and other concerned stakeholders of the Company to enable them to raise their concerns relating to the fraud, malpractice or any other untoward activity or event which is against the interest of the Company or society as a whole. The Company has a digital platform through which concerns may be raised and the same is managed and hosted by an independent third party service provider who has proven expertise in this area, thereby ensuring absolute confidentiality. The Company hereby affirms that, no personnel has been denied access to the Audit Committee.
- The Company has complied with the mandatory requirements regarding Corporate Governance under the SEBI Listing Regulations, including those covered under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and paras C, D and E of Schedule V thereto.
- All the amounts raised by the Company through private placement of Non-Convertible Rupee Bonds during FY 2023-24 have been fully utilised towards the purposes for which these amounts were raised and there has been 'no deviation' in utilisation of the proceeds raised.
- The relevant disclosures in relation to the number of complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 have been mentioned in the Directors' Report of the Company.
- In terms of the SEBI Listing Regulations relating to Corporate Governance, the Company's Policy on dealing with Related Party Transactions is available on the Company's website viz., URL: <https://kidfl.kotak.com/investors-debt-grievances.php>.
- The CEO of the Company have duly provided the compliance certificate to the Board, as specified in Part B of Schedule II of the SEBI Listing Regulations.
- The Company presently does not have any demat suspense account/unclaimed suspense account.

COMPLIANCE WITH MANDATORY REQUIREMENTS

The Company has complied with all the mandatory requirements of Corporate Governance stipulated under the SEBI Listing Regulations.

COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

The Company has complied with most of the non-mandatory requirements of Corporate Governance stipulated under the SEBI Listing Regulations, as under:

- **AUDIT QUALIFICATIONS:**

During the period under review, there were no audit qualifications in respect of the Company's standalone and consolidated financial statements. The Company continues to adopt best accounting practices and has complied with the Accounting Standards and there is no difference in the treatment.

- **SEPARATE POSTS OF CHAIRPERSON AND CEO:**

Mr. Raghunandan Dattatray Maluste, a Non-Executive Director Independent Director, Chairperson and Mr. Veenu Singla is the CEO of the Company.

- **REPORTING OF INTERNAL AUDITOR:**

The Company is having Service level agreement with Kotak Mahindra Bank Limited ("KMBL"), pursuant to which KMBL's Internal Audit department presents the Internal Audit Report to the Company's Board annually & from time to time.

OTHER DISCLOSURES

- **THE MANAGEMENT'S DISCUSSION & ANALYSIS REPORT**

The Management's Discussion & Analysis Report, giving an overview of the Non - Banking Financial Services Industry, the Company's business and its financials, is provided separately as a part of this Integrated Annual Report.

• **MEANS OF COMMUNICATION**

The financial results update approved by the Board, are uploaded on the website of BSE (<https://www.bseindia.com/>) and the Company's website (<https://kidfl.kotak.com/investors-debt-grievances.php>) within regulatory prescribed timelines. These results are also published in one English and one Marathi Regional Language newspaper, within 48 hours of the conclusion of the relevant Board Meeting. The Company's website from time to time. The Annual Reports of the Company, also made available on the website (<https://kidfl.kotak.com/annual-reports.html>). The Investor Relations section also has several other details such as, Governance related disclosures, composition of the Board and Committees thereof, Key Company Policies, SEBI Listing disclosures, Investor Information, Contact and Registration Details, details of RTA, etc.

The financial results and updates on other important events are sent by e-mail to those shareholders whose e-mail IDs are registered with the Company or the Depository Participants. The Company also publishes its Balance Sheet and Profit and Loss Account together with the Auditors' Report in a newspaper.

Pursuant to the provisions of the Companies (Accounts) Rules, 2014 and keeping in view the relaxations granted by the MCA circulars and circulars of SEBI, the Company proposes to despatch the audited financial statements for the financial year ended 31st March, 2024 and all other documents required to be attached thereto, only by electronic mode, to the members whose e-mail address is registered with the Company/Depository Participant(s). Those members, whose e-mail address is not registered with the Company or with their respective Depository Participant(s), and who wish to receive the said financial statements for the financial year ended 31st March, 2024, can get their e-mail IDs registered by following the steps as detailed in the Notice convening the Thirty-Sixth Annual General Meeting.

For Kotak Infrastructure Debt Fund Limited

Dipak Gupta

Director
DIN: 00004771

Place: Mumbai
Date: 24th June, 2024

Paritosh Kashyap

Director
DIN: 07656300

Place: Mumbai
Date: 24th June, 2024

DECLARATION

In accordance with Schedule V (D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Directors and the Senior Management Personnel of the Company have affirmed compliance to the Code of Conduct for the financial year ended 31st March, 2024.

For Kotak Infrastructure Debt Fund Limited

Veenu Singla

Chief Executive Officer

Place : Mumbai
Date : 24th June, 2024



Management Discussion and Analysis

I. INDUSTRY STRUCTURE & DEVELOPMENTS:

India is world's fifth-largest economy with a size about \$3.7 trillion. As per the Economic Advisory Council to PM (EAC-PM), India is expected to be \$ 4.0 trillion economy in 2024-25 and surpass Japan to become world's fourth-largest economy by next fiscal year.

Asian Development Bank (ADB) and Fitch Ratings have estimated India's growth at 7 per cent, the International Monetary Fund (IMF), S&P Global Ratings and Morgan Stanley projected a 6.8 per cent growth rate for FY25.

Union Budget 2024-25 (Interim) has projected that Capital expenditure outlay for Infrastructure development and employment generation to be increased by 11.1 per cent to ₹ 1,111,111 crore, that will be 3.4 per cent of the GDP. Accordingly, India is on an ambitious journey to revolutionize its infrastructure landscape.

The Company has also increased its asset book to ₹ 1,297 crore as on 31st March, 2024 from ₹ 981 crore as on 31st March, 2023, with funding extended to 28 projects/ borrower across renewable energy, airport, education and power transmission sector. Renewable sector has been the largest book contributor for the Company.

POWER SECTOR:

The Central Electricity Authority (CEA) estimates India's power requirement to grow to reach 817 GW by 2030 and the Government plans to establish renewable energy capacity of 500 GW by 2030. As of March 2024, India's installed renewable energy capacity stood at 191.68 GW, representing 43.28% of the overall installed power capacity. Solar energy is estimated to contribute 82.63 GW, followed by 46.16 GW from wind power, 10.95 GW from biomass and 51.93 GW from hydropower.

Few concerns still remain in the sector, like viability of low tariff projects in view of fluctuation in equipment prices, probability of tariff renegotiation and delay in payment by Distribution Companies. Late Payment Surcharge and Related Matters (LPS) scheme has eased out the receivable position of many power generation players and improved the credentials of Distribution Companies.

ROADS AND AIRPORTS:

Since 2014, there has been a 500% increase in the road transport and highway budget allocation, leading to a substantial enhancement in infrastructure development. The speed of highway construction reached an impressive 35 km for FY2023-24. Moreover, the National Highway (NH) network has expanded by 60% from 91,287 km in 2014 to 1, 46,145 km by the year 2023. The length of 4-laned NH has increased by 2.5 times, from 18,387 km in 2014 to 46,179 km, as of November 2023.

Many operational road projects have moved to Infrastructure Investment Trusts (InvITs) over time and Company could not participate in them. However, with recent amendments to the IDF guidelines, the Company will get increased opportunity to lend to PPP projects with concession and Toll Operate Transfer projects.

Further, with the increasing demand of travel and more Airports being awarded to Private sector for development and operations, this sector is expected to grow over time. The air passenger traffic is expected to witness healthy growth of around 8 to 11% year on year in FY 2025. The Company has already funded few of the private projects and looking forward to participate in more IDF-able projects.

The Company shall continue to focus its growth in the core sectors like renewable, airports and shall also look to diversify its portfolio into other sectors like roads, logistic, city gas distribution, healthcare and hospitality.

II. OPPORTUNITIES AND THREATS

OPPORTUNITIES:

Government of India has undertaken numerous initiatives to boost infrastructure development in the country. RBI also eased the regulatory guidelines for NBFC-IDF. With increase in exposure limits, Company can participate and fund larger operational projects. Further, requirement of tripartite agreement for investment in PPP project is made optional, which would help Company to expand its horizon to Road sector.

Fund raising avenues for NBFC-IDFs have also increased and IDFs can now also raise funds through ECB loan.

THREATS:

Public financing institutes such as Banks continued to financing operational projects at competitive rates which reduces IDFs chance to refinance operational projects.

Considering present rate of interest, borrowers are hesitant to opt for fixed interest rate anticipating correction in rates going forward.

III. COMPANY'S FINANCIAL PERFORMANCE HIGHLIGHTS:

Summary of Company's financial performance for FY 24 in comparison to FY 23 is as under:

Total Revenue: ₹ 111.15 crore as at 31st March, 2024 in comparison with ₹ 76.98 crore as at 31st March, 2023 (Growth of 44.3% over last year)

Loan Book: ₹ 1,297 crore as at 31st March, 2024 in comparison with ₹ 981 crore as at 31st March, 2023 (Growth of 32.2% over last year)

Healthy asset quality with Nil Non-Performing Assets since inception.

IV. OUTLOOK:

The Company will continue to focus on growing revenue, increasing asset book with improving sectoral diversification and adhering to prudent credit norms.

V. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

There are adequate control and risk management systems to ensure compliance to internal policies and external regulations. These pertain to NBFC guideline of RBI, Guidelines of Ministry of Finance, timelines and requirements of SEBI and other regulatory requirements.



Independent Auditors' Report

To

The Members of

KOTAK INFRASTRUCTURE DEBT FUND LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Kotak Infrastructure Debt Fund Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant material accounting policy information and other explanatory information.

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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended 31 March 2024. 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.

Description of Key Audit Matters

Key audit matter	How the matter was addressed in our audit
<p>Impairment of financial instruments (Loan and Investments) including provision for expected credit losses: (Refer note 5 & 6 of the notes to the financial statements)</p> <p>Loans and Investment amount to ₹ 1,02,766.35 lakhs & ₹ 36,716.42 lakhs (net of expected credit loss) at 31 March, 2024 as disclosed in the Ind AS financial statements.</p> <p>Ind AS 109, Financial Instruments, requires the Company to provide for impairment of its financial instruments (designated as amortised cost or fair value through other comprehensive income) using the expected credit loss (ECL) approach. Such ECL allowance is required to be measured considering the guiding principles mentioned in the standard. In the process of applying such principles and other requirements of the standard, a significant degree of judgement has been applied by the management in respect of following matters:</p> <ul style="list-style-type: none"> Determining the staging of loans. Determining probability of default (PD) using history of default for long term rated loans by leading credit rating agencies and considering the impact of macroeconomic factors. Estimation of management overlay to determine the forecasted PD Estimation of loss given default (LGD) based on haircuts and recovery percentages as suggested in Basel regulations <p>Given the complexity and significant judgement involved in the estimation of expected credit losses on loans and investments, we have considered this area as a key audit matter.</p>	<ul style="list-style-type: none"> Our audit procedures included considering the Company's board approved policies for impairment of financial instruments and assessing compliance with the policies in terms of Ind AS 109. We understood the process of ECL estimation and tested the design and operating effectiveness of key controls around data extraction and validation. We tested the operating effectiveness of the controls for staging of loans and advances based on their past-due status. We understood the methodology used by the management to arrive at their ECL provision including testing the key assumptions determining the PDs. We have verified LGD rates have been considered as mentioned in the ECL policy. We tested the arithmetical accuracy of computation of ECL provision performed by the Company. We assessed the disclosures included in the Ind AS financial statements with respect to such allowance/estimate are in accordance with the requirements of Ind AS 109 and Ind AS 107 Financial Instruments: Disclosures. We have also obtained management representations wherever considered necessary.

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

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual report (which includes the Director's report) but does not include the financial statements and our auditors' report thereon.

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 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.

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

As and when we receive and read the Board's Report, in the event we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit /loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring 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 Management and 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 the Management and 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 is also responsible for overseeing the Company's financial reporting process.

AUDITORS' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i. 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.
- ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.
- iv. Conclude on the appropriateness of the Management and Board of Directors 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v. 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' 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

1. As required by the Companies (Auditors' Report) Order, 2020 ("the order") issued by the Central Government of India in terms of sub-section (11) of the Section 143 of the Act, we give in "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by sub-section (3) of the section 143 of the Act, we report that :
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss and, the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act;
 - e. on the basis of written representations from the Directors as on March 31, 2024 and taken on record by the Board of Directors none of the Directors is disqualified as on March 31, 2024, from being appointed as a Director u/s 164(2) of the Act;
 - f. with respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - 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 does not have any pending litigation which would impact its financial position;
 - ii. the Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. In respect of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014,
 - a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company 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, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;
 - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. In respect of Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility. The audit trail feature has operated throughout the year for all relevant transactions recorded in the software. The Company has

used cloud-based accounting software for maintaining its books of account and in the absence of service organization controls report for the period April 01, 2023 to March 31, 2024, we are unable to comment whether the audit trail feature of the aforesaid software at the database level was enabled and operated throughout the year for direct data changes. Further, for accounting softwares other than the aforesaid databases, we did not notice any instance of the audit trail feature being tampered with (Refer Note 48 to the financial statements).

3. As required by Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For Gokhale & Sathe
Chartered Accountants
Firm Regn. No.103264W

Rahul Joglekar
Partner
Membership No.:129389
UDIN: 24129389BKASOZ2879

Place: Mumbai
Date: April 30, 2024



Annexure A to the Independent Auditor's Report of even date

On the financial statements of Kotak Infrastructure Debt Fund Limited

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report to the Members of Kotak Infrastructure Debt Fund Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant and Equipment including intangible assets.
- (b) According to the information and explanations given to us fixed assets were physically verified during the year by the management and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management and audit procedures performed by us, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The nature of the Company's business is such that it is not required to hold any inventories and, hence, reporting under paragraph 3(ii) of the order is not applicable to the Company.
- (b) The Company has not been sanctioned working capital limits during any point of time of the year, in excess of ₹ 5 crores in aggregate, from banks or financial institutions on the basis of security of current assets. Hence, reporting under paragraph 3(ii)(b) of the order is not applicable to the Company.
- (iii) (a) Since the Company is a Non-Banking Financial Company whose principal business is to give loans, paragraph 3(iii)(a) of the Order is not applicable to the Company.
- (b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
- (c) The schedule of repayment of principal and payment of interest has been stipulated and in such cases the borrowers have been regular in repayment of principal and interest.
- (d) There are no overdue amounts in respect of the loans granted. Therefore, paragraph 3(iii) (d) of the Order is not applicable.
- (e) Since the Company is a Non-Banking Financial Company whose principal business is to give loans, paragraph 3(iii)(e) of the Order is not applicable to the Company.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) There are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Act are attracted. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- (v) The Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any activities conducted/services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) In our opinion, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, goods and service tax, cess and other material statutory dues applicable to it. According to information and explanations given to us, no undisputed amounts payable were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) There are no dues of income tax, value added tax, sales tax, service tax, duty of excise and duty of custom which have not been deposited with the appropriate authorities on account of any dispute as at March 31, 2024.
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) The Company has not defaulted in repayment of its debt instruments in the nature of non-convertible debentures or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the Company has not raised money by way of term loans during the year. Therefore, paragraph 3(ix)(c) of the Order is not applicable.
- (d) The Company has not raised any funds on short term basis. Therefore, paragraph 3(ix)(d) of the Order is not applicable.
- (e)&(f) The Company does not have subsidiaries, associates or joint ventures during the year and therefore paragraphs 3(ix)(e) and (f) of the Order is not applicable to the Company
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across any instance of fraud by or on the Company, noticed or reported during the year, nor have we been informed of such case by management.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) No whistle-blower complaints were received during the year hence reporting under clause 3(xi)(c) of the Order is not applicable.
- (xii) The Company is not a Nidhi Company and hence, reporting under paragraph 3 (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the 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, in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information and explanations given by the management and audit procedures performed by us, the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors as referred to in section 192 of the Companies Act, 2013.
- (xvi) (a) According to the information and explanations given to us and audit procedures performed by us, we report that the Company has registered as required, under Section 45- IA of the Reserve Bank of India Act, 1934 (2 of 1934).
- (b) The Company holds a valid Certificate of Registration (CoR) under section 45-IA of the Reserve Bank of India Act, 1934, to carry on the business of a non-banking financial institution as Infrastructure Debt Fund.
- (c)&(d) The Company is not a Core Investment Company and there is no other core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(c) and (d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the auditor during the year hence there is no requirement to report under this clause.
- (xix) 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 and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due



within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and it should not be construed as a guarantee or 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 amount to a special account, within a period of thirty days from the end of the financial year in compliance with section 135(6) of the said Act.
- (xxi) The Company is not required to prepare Consolidated Financial Statements and therefore reporting under clause 3(xxi) of the Order is not applicable for the year.

For Gokhale & Sathe

Chartered Accountants

Firm Regn. No.103264W

Rahul Joglekar

Partner

Membership No.:129389

UDIN: 24129389BKASOZ2879

Place: Mumbai

Date: April 30, 2024

Annexure B to the Independent Auditor's Report of even date

On the financial statements of Kotak Infrastructure Debt Fund Limited

(Referred to in paragraph (iii) under 'Report on other legal and regulatory requirements' section of our report of even date to the Members the Company)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

OPINION

We have audited the internal financial controls with reference to Financial Statements of Kotak Infrastructure Debt Fund Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

AUDITORS' RESPONSIBILITY

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 Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those 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 whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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 authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized 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

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 control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Gokhale & Sathe

Chartered Accountants

Firm Regn. No.103264W

Rahul Joglekar

Partner

Membership No.:129389

UDIN: 24129389BKASOZ2879

Place: Mumbai

Date: April 30, 2024

Balance Sheet

as at 31st March, 2024

(₹ in lakh)

Particulars	Note No.	As at 31 st March, 2024	As at 31 st March, 2023
ASSETS			
Financial assets			
Cash and cash equivalents	2	1,941.35	6,273.09
Bank Balance other than cash and cash equivalents	3	23.08	23.08
Other receivables	4	0.68	1.63
Loans	5	102,766.35	69,947.96
Investments	6	36,716.42	43,948.51
Other financial assets	7	2.59	2.59
Total financial assets		141,450.47	120,196.86
Non-financial assets			
Current tax assets (Net)		1,191.97	1,179.59
Property, plant and equipment	8	35.47	29.28
Intangible assets	9	0.95	2.04
Intangibles under development	10	35.00	-
Other non-financial assets	11	26.66	32.19
Total non-financial assets		1,290.05	1,243.10
Total Assets		142,740.52	121,439.96
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Trade payables	12 A		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		117.20	94.16
Other payables	12 B		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		40.88	38.71
Debt securities	13	91,477.99	73,613.92
Total financial liabilities		91,636.07	73,746.79
Non-Financial liabilities			
Current tax liabilities (Net)		32.10	32.10
Provisions	14	25.74	16.14
Other non-financial liabilities	15	82.16	57.59
Total non-financial liabilities		140.00	105.83
EQUITY			
Equity share capital	16	31,000.00	31,000.00
Other equity	17	19,964.45	16,587.34
Total equity		50,964.45	47,587.34
Total Liabilities and Equity		142,740.52	121,439.96

Summary of material accounting policies 1
The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For **Gokhale and Sathe**
Firm Registration Number: 103264W
Chartered Accountants

Rahul Joglekar
Partner
Membership No: 129389

Mumbai
30th April, 2024

**For and on behalf of the Board of Directors of
Kotak Infrastructure Debt Fund Limited**

Paritosh Kashyap
Director
DIN: 07656300

Veenu Singla
Chief Executive Officer
& Chief Financial Officer

Mumbai
30th April, 2024

Sujata Guhathakurta
Director
DIN: 8099266

Subhadra Atanur
Company Secretary
A52470



Profit and Loss Account

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	18	9,972.98	5,908.63
(ii)	Dividend income		-	19.91
(iii)	Net gain on financial instruments measured at fair value	19	1,096.64	1,716.73
(I)	Total revenue from operations		11,069.62	7,645.27
(II)	Other income	20	45.43	52.54
(III)	Total income (I+II)		11,115.05	7,697.81
	EXPENSES			
(i)	Finance costs	21	6,506.07	3,915.06
(ii)	Impairment on financial instruments	22	325.16	123.95
(iii)	Employee benefits expense	23	395.92	192.39
(iv)	Depreciation, amortisation and impairment	8 & 9	3.82	2.91
(v)	Other expenses	24	506.23	442.88
(IV)	Total expenses		7,737.20	4,677.19
(V)	Profit before tax (III-IV)		3,377.85	3,020.62
(VI)	Tax expense			
(i)	Current tax		-	-
(ii)	Deferred tax		-	-
	Total tax expense (i+ii)		-	-
(VII)	Profit for the year (V-VI)		3,377.85	3,020.62
	Other comprehensive income			
	Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans		(0.74)	1.37
(VIII)	Total other comprehensive income		(0.74)	1.37
(IX)	Total comprehensive income for the year (VII+VIII)		3,377.11	3,021.99
(X)	Earnings per equity share-Basic & Diluted (₹)	25	1.09	0.97

Summary of material accounting policies

1

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For **Gokhale and Sathe**
Firm Registration Number: 103264W
Chartered Accountants

Rahul Joglekar
Partner
Membership No: 129389

Mumbai
30th April, 2024

**For and on behalf of the Board of Directors of
Kotak Infrastructure Debt Fund Limited**

Paritosh Kashyap
Director
DIN: 07656300

Veenu Singla
Chief Executive Officer
& Chief Financial Officer

Mumbai
30th April, 2024

Sujata Guhathakurta
Director
DIN: 8099266

Subhadra Atanur
Company Secretary
A52470

Statement of Cash Flow

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	3,377.85	3,020.62
Adjustments for		
Depreciation	3.82	2.91
Dividend Income on Investments	-	(19.91)
Impairment on financial instruments	325.16	123.95
Net realised gain on financial instruments measured at fair value through profit or loss	(1,098.76)	(1,710.53)
Net unrealised loss/(gain) on financial instruments measured at fair value through profit or loss	2.11	(6.20)
Net gain on derecognition of property, plant and equipment	-	(0.14)
EIR Impact on Borrowings	(20.84)	(41.08)
EIR Impact on Loans and Investments	784.22	(199.89)
Preference Dividend	-	3.96
Operating profit before working capital changes	3,373.56	1,173.69
Working capital adjustments		
(Increase) / Decrease in Bank balance other than cash and cash equivalent	-	(0.03)
(Increase) / Decrease in Loans	(33,926.01)	(22,607.39)
(Increase) / Decrease in Receivables	0.95	2.57
(Increase) / Decrease in Interest receivable	51.94	29.41
Increase / (Decrease) in Payables	25.21	(9.63)
Increase / (Decrease) in Interest Payable	884.51	381.72
Increase / (Decrease) in Provisions	8.86	(0.93)
Increase / (Decrease) in Other non-financial liabilities	24.28	4.76
Increase / (Decrease) in Other non-financial assets	5.53	4.29
	(32,924.73)	(22,195.23)
Cash Flow from/(used in) operations	(29,551.17)	(21,021.54)
Income taxes paid	(12.38)	(18.89)
Net cash from/(used in) operating activities	(29,563.55)	(21,040.43)
Cash flow from investing activities		
Purchase of investments	(224,319.00)	(202,638.00)
Proceeds from sale of investments	232,593.31	207,758.02
Purchase of property, plant and equipment	(43.93)	(4.49)
Proceeds from sale of property, plant and equipment	-	0.82
Dividend income on investments	-	19.91
Net cash generated from investing activities	8,230.38	5,136.26
Cash flow from financing activities		
Proceeds from Rupee Bonds Issued	32,000.45	46,500.00
Redemption of Rupee Bonds	(15,000.00)	(25,000.00)
Redemption of Preference Share Capital	-	(70.00)
Preference Share Dividend paid	-	(9.21)



Statement of Cash Flow

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
Net cash flow from financing activities	17,000.45	21,420.79
Net (decrease) / increase in cash and cash equivalents	(4,332.72)	5,516.62
Cash and cash equivalents at the beginning of the year	6,274.51	757.89
Cash and cash equivalents at the end of the year	1,941.79	6,274.51
Reconciliation of cash and cash equivalents with the balance sheet		
Cash and cash equivalents as per balance sheet (refer note 2)		
Cash on hand	-	-
Balances with banks in current account	1,941.79	6,274.51
Impairment provision	(0.44)	(1.42)
Cash and cash equivalents as restated as at the year end	1,941.35	6,273.09

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

As per our attached report of even date

For **Gokhale and Sathe**
Firm Registration Number: 103264W
Chartered Accountants

Rahul Joglekar
Partner
Membership No: 129389

Mumbai
30th April, 2024

**For and on behalf of the Board of Directors of
Kotak Infrastructure Debt Fund Limited**

Paritosh Kashyap
Director
DIN: 07656300

Veenu Singla
Chief Executive Officer
& Chief Financial Officer

Mumbai
30th April, 2024

Sujata Guhathakurta
Director
DIN: 8099266

Subhadra Atanur
Company Secretary
A52470

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 31 st March, 2023	31,000.00	-	-	-	31,000.00
As at 31 st March, 2024	31,000.00	-	-	-	31,000.00

B. OTHER EQUITY

(₹ in lakh)

Particulars	Reserves and Surplus					Total
	Special reserve	Capital redemption reserve	General reserve	Capital contribution from parent	Retained earnings*	
Balance as at 31st March, 2022	2,825.24	19.00	2.50	188.24	10,530.37	13,565.35
Profit for the year	-	-	-	-	3,020.62	3,020.62
Transfer from Statement of Profit and Loss to Special Reserve	605.00	-	-	-	(605.00)	-
Remeasurements of the defined benefit plans	-	-	-	-	1.37	1.37
Changes during the period	605.00	-	-	-	2,416.99	3,021.99
Balance as at 31st March, 2023	3,430.24	19.00	2.50	188.24	12,947.36	16,587.34
Balance as at 31st March, 2023	3,430.24	19.00	2.50	188.24	12,947.36	16,587.34
Profit for the year	-	-	-	-	3,377.85	3,377.85
Transfer from Statement of Profit and Loss to Special Reserve	680.00	-	-	-	(680.00)	-
Remeasurements of the defined benefit plans	-	-	-	-	(0.74)	(0.74)
Changes during the period	680.00	-	-	-	2,697.11	3,377.11
Balance as at 31st March, 2024	4,110.24	19.00	2.50	188.24	15,644.47	19,964.45

* Net of Share Issue Expenses

Nature and purpose of reserves: Refer Note 17.01

As per our attached report of even date

For **Gokhale and Sathe**
Firm Registration Number: 103264W
Chartered Accountants

Rahul Joglekar
Partner
Membership No: 129389

Mumbai
30th April, 2024

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Mumbai
30th April, 2024

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DIN: 8099266

Subhadra Atanur
Company Secretary
A52470



Notes

to the Financial Statements for the year ended 31st March, 2024

1.1. CORPORATE INFORMATION

Kotak Infrastructure Debt Fund Limited (the Company), formerly known as Kotak Forex Brokerage Limited, 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 – Infrastructure Debt Finance with Reserve Bank of India. The Company is engaged in providing finance for infrastructure projects. The Company is entirely held by Kotak Mahindra Bank Ltd. together with its subsidiaries.

The Company was earlier engaged in the business of providing foreign exchange related services. During the year 2017-18, the Company obtained license as Infrastructure Debt Fund – Non Banking Financial Company (IDF-NBFC) from Reserve Bank of India (RBI) vide certificate of Registration No.N-13.02177 dated 06th April, 2017.

The Company's registered office is at 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.

1.2. BASIS OF PREPARATION

A. STATEMENT OF COMPLIANCE

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013.

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 Director's on 30th April, 2024.

B. BASIS OF MEASUREMENT

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

- Certain financial assets and liabilities - measured at fair value (refer accounting policy regarding financial instruments).
- Share based payments - measured at fair value of the options (refer accounting policy regarding share based payments).

C. FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency. All the amounts are rounded to the nearest lakh with two decimals, except when otherwise indicated.

D. USE OF ESTIMATES AND JUDGEMENTS

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

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgement, estimates and assumptions are required in particular for:

I. Determination of estimated useful lives of property, plant and equipment

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

II. Determination of lease term

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

Notes

to the Financial Statements for the year ended 31st March, 2024

III. Recognition and Measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial valuation. Key actuarial assumptions which form the basis of above valuation includes discount rate, trends in salary escalation, demographics and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Further details are disclosed in Note 31.

IV. Recognition and measurement of provisions and contingencies

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

V. Discounting of long-term financial assets/liabilities

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

VI. Fair value of share-based payments

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

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

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 32.

VII. Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value please refer Note 33.

VIII. Business model assessment

Classification and measurement of financial assets depends on the results of the solely payment of principal and interest ('SPPI') and the business model test. The Company determines the business model at a level that reflects how group of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.

IX. Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of financial instruments and recognises the effect of potentially different interest rates at various stages and other characteristics of the financial instrument. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to benchmark rate and other fee income/expense that are integral parts of the instrument.



Notes

to the Financial Statements for the year ended 31st March, 2024

X. Impairment on financial assets

The Company recognizes loss allowances for Expected Credit Losses (ECL) on its financial assets measured at amortized cost and Fair Value through Other Comprehensive Income (FVOCI) except investment in equity instruments. At each reporting date, the Company assesses whether the above financial assets are 'credit-impaired'. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company's ECL calculations are outputs of statistical models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies such as macroeconomic scenarios and estimated recovery from collateral.

XI. Impairment on non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

1.3. ADOPTION OF NEW AND REVISED STANDARDS

Below are list of new standards and amendments that are effective for the first time for periods commencing on or after 1st April, 2023 (i.e. year ending 31st March, 2024).

IND AS 1 – PRESENTATION OF FINANCIAL STATEMENTS

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. There is no material impact of this amendment on the financial statements.

IND AS 12 – INCOME TAXES

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. There is no material impact of this amendment on the financial statements.

IND AS 8 – ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. There is no material impact of this amendment on the financial statements.

New amendments issued but not effective:

There are no new accounting standards/amendments issued by the regulators as on date which would become effective from next year.

1.4. MATERIAL ACCOUNTING POLICY INFORMATION

A. REVENUE RECOGNITION

Interest income on financial assets is recognized on accrual basis using effective interest method other than the financial assets classified as measured at FVTPL. The EIR is determined considering all contractual terms, fees received, transaction costs incurred and all other premiums or discounts. Interest revenue is continued to be recognized at the original effective interest rate applied on the gross carrying amount of assets falling under stages 1 and 2 as against on amortized cost net of impairment for the assets falling under stage 3. 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.

Dividend income is accounted on an accrual basis when the Company's right to receive the dividend is established.

Notes

to the Financial Statements for the year ended 31st March, 2024

B. FINANCIAL INSTRUMENTS

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

All regular way purchase or sale of financial instruments are recognised and derecognised on a trade date basis. Purchase or sale of unquoted instrument is recognised on the closing date or as and when the transaction is completed as per terms mentioned in relevant transaction agreement /document.

Financial assets

Classification

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

Initial recognition and measurement

All financial assets are recognized 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 the way in which business is managed and information provided to the management. The information considered in conjunction with objectives of business model includes:

1. the objectives for the portfolio, in particular, management's strategy of focusing on earning contractual interest revenue, maintaining a particular interest rate profile;
2. the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity;
3. the risks that affect the performance of the business model, the financial assets held within that business model and how those risks are managed.
4. the Company monitors financial assets measured at Amortized cost that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.

Based on the Company policy, it can sell financial assets out of Amortized cost business model under following scenarios:

- If such financial assets no longer meets the credit criteria in Company's investment policy;
- Credit Risk on a financial assets has increased significantly;
- To meet liquidity needs in 'stress case scenarios' and does not anticipate selling these assets except in scenarios such as to fund unexpected outflow;
- Sales are infrequent or insignificant in value both individually or in aggregate
- if sales are made close to the maturity of the financial assets and the proceeds from the sales approximate the collection of the remaining contractual cash flows.

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

For the purposes of assessing contractual cash flows, '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

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

The Company classifies its financial assets in the following measurement categories

Financial assets at amortized cost

A financial asset is measured at amortized cost only if both of the following conditions are met:

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

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest (EIR) method.

Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR) and reported as part of interest income in the Statement of Profit and Loss. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance. The losses if any, arising from impairment are recognized in the Statement of Profit and Loss.

For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired.

For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

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

Financial asset with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

After initial measurement, such financial assets are subsequently measured at fair value. Subsequent changes in the carrying amount of these financial assets as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in Statement of Profit and Loss. The amounts that are recognised in Statement of Profit and Loss are the same as the amounts that would have been recognised in Statement of Profit and Loss if these financial assets had been measured at amortised cost. All other changes in the carrying amount of these financial assets are recognised in other comprehensive income. The loss allowance is recognized in 'Other Comprehensive Income' (OCI) 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.

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

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

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

Notes

to the Financial Statements for the year ended 31st March, 2024

Financial liabilities and equity instruments:

Classification as debt or equity

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

Equity instruments

Any contract that evidences a residual interest in the assets after deducting all of its liabilities are classified as Equity Instruments. Equity instruments issued by the Company are recognized at the proceeds received and transaction costs are recognized as a deduction from equity.

Financial liabilities

Financial liabilities are measured at fair value less transaction cost directly attributable to the issue of the financial liabilities at initial recognition and subsequently measured at amortized cost except when designated to be measured at FVTPL. Interest expense is recognized in Statement of Profit and Loss. Any gain or loss on de-recognition is also recognized in Statement of Profit and Loss.

C. IMPAIRMENT OF FINANCIAL ASSETS

Methodology for computation of Expected Credit Losses (ECL)

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

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

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

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

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 for long term rated loans by leading credit rating agencies and converted into forward looking PD's considering suitable macro-economic variable and other observable inputs.

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

ECL has been estimated as the difference between the gross carrying amount and the present value of estimated future cash flows. For trade receivables, the Company applies a simplified approach. It recognizes impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date.



Notes

to the Financial Statements for the year ended 31st March, 2024

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 derecognized:

- If the expected restructuring will not result in de-recognition of the existing asset, expected cash flows arising from the modified financial asset are included in calculating cash shortfalls from the existing asset.
- If the expected restructuring will result in de-recognition 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 amortized 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 recognized. Interest income is accrued using the effective interest rate on the gross carrying amount.

Stage 2: Lifetime ECL (not credit impaired):

At each reporting date, 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, deterioration in internal/external ratings 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 recognized. 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 recognized 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. For financial instruments whose significant payment obligations are only after next 12 months, life time ECL is applied.

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 estimates 12 month ECL and lifetime ECL using number of variable inputs such as historical default rate, macroeconomic scenarios, contractual life of financial assets and estimated recovery from collateral.

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

The Company considers historical observed default rates 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. The Company's ECL calculations are output of number of underlying assumptions regarding the choice of variable inputs and their interdependencies such as macroeconomic scenarios and collateral values.

Notes

to the Financial Statements for the year ended 31st March, 2024

D. 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.

E. DERECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred 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 de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) 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 recognized in OCI is recognized in statement of profit or loss.

Financial liabilities

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

F. MODIFICATIONS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets

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

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in recognition 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 recognizes the amount arising from adjusting the gross carrying amount as a 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 amortized 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 derecognizes 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 recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in statement of profit or loss.



Notes

to the Financial Statements for the year ended 31st March, 2024

G. MEASUREMENT OF FAIR VALUES

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments.

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

When measuring the fair value of 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 lowest level inputs that are significant to the measurements, used in the valuation techniques as follows:

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

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

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

H. OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

I. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at acquisition cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. Gain or losses arising from the retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of property, plant and equipment and recognized as income or expense in the Statement of Profit and Loss.

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

Depreciation is provided on a pro-rata basis on a Straight Line Method over the estimated useful life of property, plant and equipment 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 property, plant and equipment. The estimates of useful lives of property, plant and equipment, based on a technical evaluation, are reviewed periodically, including at each financial year-end. Estimated useful lives over which assets are depreciated are as follows:

Asset Type	Useful life in years
Premises	58
Leasehold Improvements	Over the period of lease subject to a maximum of 6 years
Office Equipment	5
Computers	3
Furniture and Fixtures	6
Vehicles	4

Used property, plant and equipment purchased are depreciated over the residual useful life from the date of original purchase. For property, plant and equipment purchased and sold during the year, depreciation is provided on pro rata basis by the Company.

Notes

to the Financial Statements for the year ended 31st March, 2024

J. BORROWING COST

Borrowing costs other than those directly attributable to qualifying Property, Plant and Equipment are recognized on EIR basis.

K. TAXES ON INCOME

The Company is an Infrastructure Debt Fund - Non Banking Finance Company (IDF - NBFC) registered with the Reserve Bank of India on 6th April 2017. Therefore, income of the Company is exempt under sections 10(47) of the Income Tax Act, 1961 (the Act). The Company has applied to CBDT to get it notified in the Official Gazette as required u/s 10(47) of the Act and has received approval for the same. Accordingly, no income tax is payable on the Company's income for the financial year 2017-18 and onwards, therefore no provision for tax & deferred tax asset / liabilities has been recognized.

L. EMPLOYEE BENEFITS

- I. Provident fund is a defined contribution scheme and the contributions as required by the statute to Government Provident Fund are charged to the Statement of Profit and Loss when due.
- II. The Company contributes up to 10% of eligible employee's salary per annum, to the New Pension Fund administered by a Pension Fund Regulatory and Development Authority (PFRDA) appointed pension fund manager. The Company recognizes such contributions as an expense in the year when an employee renders the related service.
- III. Gratuity liability is a defined benefit obligation and is wholly unfunded. The Company accounts for liability for future gratuity benefits based on actuarial valuation. The net present value of the Company's obligation towards the same is actuarially determined based on the projected unit credit method as at the Balance Sheet date.
- IV. Re-measurement of all defined benefit plans, which comprise actuarial gains and losses, are recognised immediately in other comprehensive income in the year they are incurred. Re-measurements are not reclassified to profit or loss in subsequent period. Remeasurement gains or losses on long term compensated absences that are classified as other long term benefits are recognised in profit or loss. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit or loss.
- V. The amount of short term employee benefits expected to be paid in exchange for the services rendered by employee is recognized during the period when the employee renders the service. These benefits include performance incentives.
- VI. The Company accrues the liability for compensated absences based on the actuarial valuation as at the balance sheet date conducted by an independent actuary which includes assumptions about demographics, early retirement, salary increases, interest rates and leave utilization. The net present value of the Company's obligation is determined based on the projected unit credit method as at the Balance Sheet date.
- VII. As per the Company's 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 conducted by actuary of Life Insurance of fellow subsidiary.

M. EMPLOYEE SHARE BASED PAYMENTS

Equity-settled scheme:

Equity-settled share-based payments to employees 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 recognized 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 amortized 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 'Provision for Stock Appreciation Rights' under the head Employee Benefit Expense.

N. SEGMENTAL REPORTING

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

O. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

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

P. PROVISIONS AND CONTINGENT LIABILITIES

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but disclosed in the notes. Contingent assets are neither recognized nor disclosed in financial statements.

Q. LEASES

At the inception of the contract Company assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of identified asset;
- (ii) the Company has substantially all the economic benefits from the use of the asset through the period of lease; and
- (iii) the Company has right to direct the use of the asset.

As lessee

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

Notes

to the Financial Statements for the year ended 31st March, 2024

R. IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying values of assets at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount in the Statement of Profit and Loss.

The recoverable amount is the greater of the fair value less costs of disposal and their 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.

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

S. CASH AND CASH EQUIVALENTS

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

T. STATEMENT OF CASH FLOWS

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows' as amended from time to time.



Notes

to the Financial Statements for the year ended 31st March, 2024

NOTE 2 CASH AND CASH EQUIVALENTS

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Balances with banks	1,939.17	673.76
Earmarked balances with banks:		
Against unspent CSR	2.62	-
In fixed deposits with banks with original maturity of less than 3 months	-	5,600.75
	1,941.79	6,274.51
Less: Impairment loss allowance	(0.44)	(1.42)
Total	1,941.35	6,273.09

NOTE 3 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	23.09	23.09
Less: Impairment loss allowance	(0.01)	(0.01)
Total	23.08	23.08

NOTE 4 OTHER RECEIVABLES

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Unsecured, considered good	0.68	1.64
Less: Impairment loss allowance	-	(0.01)
Total	0.68	1.63

Notes

to the Financial Statements for the year ended 31st March, 2024

NOTE 5 LOANS

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
At Amortised Cost		
(i) Term loans	103,383.90	70,246.96
(ii) Loan to employees	1.27	1.84
Total Gross	103,385.17	70,248.80
Less: Impairment loss allowance	(618.82)	(300.84)
Total Net (A)	102,766.35	69,947.96
Out of (A) above		
(i) Loans outside India	-	-
(ii) Loans in India		
(a) Public Sector	-	-
(b) Others	103,385.17	70,248.80
Grand total	103,385.17	70,248.80
Less: Impairment loss allowance	(618.82)	(300.84)
Total Net (A)	102,766.35	69,947.96
Out of (A) above		
(i) Secured by tangible assets	103,383.90	70,246.96
(ii) Unsecured	1.27	1.84
Total Gross	103,385.17	70,248.80
Less: Impairment loss allowance	(618.82)	(300.84)
Total Loans	102,766.35	69,947.96

Gross carrying value reconciliation

(₹ in lakh)

Particulars	12-month ECL	Lifetime ECL - Not credit impaired
Balance as at 31st March, 2022	45,063.26	2,342.02
Transition From 12 month ECL	-	-
Net remeasurement of existing financial asset (including repayments)	(4,135.50)	(282.13)
New financial assets originated during the year	34,099.30	-
Financial assets that have been derecognised during the period	(6,838.15)	-
Balance as at 31st March, 2023	68,188.91	2,059.89
Transition From 12 month ECL	(9,770.93)	9,770.93
Net remeasurement of existing financial asset (including repayments)	(5,862.93)	(1,337.09)
New financial assets originated during the year	49,905.28	2,424.81
Financial assets that have been derecognised during the period	(9,933.82)	(2,059.89)
Balance as at 31st March, 2024	92,526.51	10,858.65



Notes

to the Financial Statements for the year ended 31st March, 2024

NOTE 6 INVESTMENTS

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
At Amortised cost		
Debt securities	26,343.05	27,798.98
Total Gross	26,343.05	27,798.98
Less: Impairment loss allowance	(38.59)	(30.43)
Total Net (A)	26,304.46	27,768.55
At Fair value through profit or loss (FVTPL)		
Mutual funds	10,411.96	16,179.96
Total (B)	10,411.96	16,179.96
Grand total (A+B)	36,716.42	43,948.51
Out of (A) above		
At Amortised cost		
(i) Investments outside India	-	-
(ii) Investments in India	26,343.05	27,798.98
Total Gross (A)	26,343.05	27,798.98
Less: Impairment loss allowance	(38.59)	(30.43)
Total Net (A)	26,304.46	27,768.55
Out of (B) above		
At Fair value Through profit or loss (FVTPL)		
(i) Investments outside India	-	-
(ii) Investments in India	10,411.96	16,179.96
Total (B)	10,411.96	16,179.96
Total investments	36,716.42	43,948.51

Gross carrying value reconciliation

(₹ in lakh)

Particulars	12-month ECL	Lifetime ECL - Not credit impaired
Debt securities		
Balance as at 31st March, 2022	14,444.14	-
Transfers	-	-
Net remeasurement of existing financial asset (including repayments)	(516.41)	-
New financial assets originated during the year	19,468.03	-
Financial assets that have been derecognised during the period	(5,596.78)	-
Balance as at 31st March, 2023	27,798.98	-
Transfers	-	-
Net remeasurement of existing financial asset (including repayments)	(1,455.93)	-
New financial assets originated during the year	-	-
Financial assets that have been derecognised during the period	-	-
Balance as at 31st March, 2024	26,343.05	-

Notes

to the Financial Statements for the year ended 31st March, 2024

NOTE 7 OTHER FINANCIAL ASSETS

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Security deposits	2.60	2.60
Less: Impairment loss allowance	(0.01)	(0.01)
Total	2.59	2.59

NOTE 8 PROPERTY, PLANT AND EQUIPMENT

(₹ in lakh)

Particulars	Premises	Furniture and Fixture	Computers	Total
Balance as at 1st April, 2022	27.23	-	6.21	33.44
Additions during the year	-	-	3.73	3.73
Disposals during the year	-	-	(1.50)	(1.50)
Balance as on 31st March, 2023	27.23	-	8.44	35.67
Accumulated depreciation as at 1st April, 2022	1.95	-	3.26	5.21
Depreciation for the year	0.47	-	1.55	2.02
Disposals during the year	-	-	(0.84)	(0.84)
Balance as on 31st March, 2023	2.42	-	3.97	6.39
Net carrying amount as at 31st March, 2023	24.81	-	4.47	29.28
Balance as at 1st April, 2023	27.23	-	8.44	35.67
Additions during the year	-	7.00	1.92	8.92
Disposals during the year	-	-	-	-
Balance as on 31st March, 2024	27.23	7.00	10.36	44.59
Accumulated depreciation as at 1st April, 2023	2.42	-	3.97	6.39
Depreciation for the year	0.47	0.14	2.12	2.73
Disposals during the year	-	-	-	-
Balance as on 31st March, 2024	2.89	0.14	6.09	9.12
Net carrying amount as at 31st March, 2024	24.34	6.86	4.27	35.47

Impairment loss and reversal of impairment loss

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

- Secured Redeemable Rupee Bonds have pari passu charges on premises whose net carrying amount is ₹ 24.34 Lakh (Previous Year: ₹ 24.81 Lakh)



Notes

to the Financial Statements for the year ended 31st March, 2024

NOTE 9 INTANGIBLE ASSETS

(₹ in lakh)

Particulars	Software & system development
Balance as at 1st April, 2022	2.50
Additions during the year	0.77
Disposals during the year	-
Balance as at 31st March, 2023	3.27
Accumulated Amortization as at 1st April, 2022	0.34
Amortization for the year	0.89
Disposals during the year	-
Accumulated Amortization as 31st March, 2023	1.23
Net carrying amount as at 31st March, 2023	2.04
Balance as at 1st April, 2023	3.27
Additions during the year	-
Disposals during the year	-
Balance as at 31st March, 2024	3.27
Accumulated Amortization as at 1st April, 2023	1.23
Amortization for the year	1.09
Disposals during the year	-
Accumulated Amortization as 31st March, 2024	2.32
Net carrying amount as at 31st March, 2024	0.95

Impairment loss and reversal of impairment loss

There is no impairment loss for intangible assets.

NOTE 10: INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Intangible assets under development (Software)	35.00	-
Total	35.00	-

As at 31st March, 2024

(₹ in lakh)

Intangible asset under development	Amount in CWIP for a period of			Total
	Less than 1 Year	2-3 Years	More than 3 Years	
Projects in progress	35.00	-	-	35.00
Projects temporarily suspended	-	-	-	-
Total	35.00	-	-	35.00

Notes

to the Financial Statements for the year ended 31st March, 2024

As at 31st March, 2023

(₹ in lakh)

Intangible asset under development	Amount in CWIP for a period of			Total
	Less than 1 Year	2-3 Years	More than 3 Years	
Projects in progress	-	-	-	-
Projects temporarily suspended	-	-	-	-
Total	-	-	-	-

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

NOTE 11 OTHER NON-FINANCIAL ASSETS

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Advances paid to vendor	1.27	-
Prepaid expenses	16.97	10.66
GST input receivable	8.42	21.53
Total	26.66	32.19

NOTE 12 PAYABLES

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
(A) Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	117.20	94.16
Total (A)	117.20	94.16
(B) Other payables		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	40.88	38.71
Total (B)	40.88	38.71
Total	158.08	132.87



Notes

to the Financial Statements for the year ended 31st March, 2024

Trade payables ageing schedule

As at 31st March, 2024

(₹ in lakh)

Particulars	31 st March, 2024						Total
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	117.20	-	-	-	117.20
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	-	-	117.20	-	-	-	117.20

Trade payables ageing schedule

As at 31st March, 2023

(₹ in lakh)

Particulars	31 st March, 2023						Total
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	78.52	-	15.64	-	-	-	94.16
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	78.52	-	15.64	-	-	-	94.16

NOTE 13 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				
Bonds				
Rupee Bonds (Secured, Redeemable and Non convertible), fully paid, privately placed	91,477.99	-	-	91,477.99
Total	91,477.99	-	-	91,477.99
Out of above				
Debt securities in India	91,477.99	-	-	91,477.99
Debt securities outside India	-	-	-	-
Total	91,477.99	-	-	91,477.99
As at 31st March, 2023				
Bonds				
Rupee Bonds (Secured, Redeemable and Non convertible), fully paid, privately placed	73,613.92	-	-	73,613.92
Total	73,613.92	-	-	73,613.92
Out of above				
Debt securities in India	73,613.92	-	-	73,613.92
Debt securities outside India	-	-	-	-
Total	73,613.92	-	-	73,613.92

Note:

These bonds are redeemable at par on maturity. These are Secured by mortgage of assets (Flats) and charge on loans & Advances.

Notes

to the Financial Statements for the year ended 31st March, 2024

(₹ in lakh)

Rupee Bonds (Redeemable and Non convertible) - Debt Securities	31 st March, 2024			31 st March, 2023		
	Interest Rate%	Balance Outstanding	Face Value (₹)	Interest Rate%	Balance Outstanding	Face Value (₹)
Repayable on Maturity						
Jul-23	-	-	-	7.94%	15,900.08	15,000.00
Jun-24	9.15%	10,761.20	10,000.00	9.15%	10,746.74	10,000.00
Dec-27	7.97%	9,221.01	9,000.00	7.97%	9,216.11	9,000.00
Feb-28	7.97%	12,232.12	12,000.00	7.97%	12,227.27	12,000.00
May-28	8.30%	20,535.72	20,500.00	8.30%	20,527.88	20,500.00
Jul-28	8.29%	5,412.48	5,000.00	8.29%	4,995.84	5,000.00
Aug-28	8.05%	11,652.57	11,000.00	-	-	-
Oct-28	8.07%	8,954.21	8,500.00	-	-	-
Nov-30	8.20%	12,708.66	12,500.00	-	-	-
		91,477.97			73,613.92	

Note:

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

NOTE 14 PROVISIONS

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Provision for employee benefits		
Gratuity (refer note 31)	18.48	13.99
Compensated absences	1.88	1.32
Stock appreciation rights (SARs) (refer note 32)	5.20	0.68
Long service award	0.18	0.15
Total	25.74	16.14

NOTE 15 OTHER NON-FINANCIAL LIABILITIES

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Income received in advance	-	7.41
Statutory dues payable	31.55	24.20
Employee benefits accrued	50.61	25.98
Total	82.16	57.59



Notes

to the Financial Statements for the year ended 31st March, 2024

NOTE 16 EQUITY SHARE CAPITAL

(₹ in lakh)

Particulars	As at	
	31 st March, 2024	31 st March, 2023
Authorised		
310,050,000 (31 st March, 2023: 310,050,000) equity shares of ₹ 10 each with voting rights	31,005	31,005
6014 (31 st March, 2023: 6014) 7.5% Non-Cumulative Redeemable Preference Shares of ₹ 500,000/- each	30,070	30,070
Issued, subscribed and paid up		
310,000,000 (31 st March, 2023: 310,000,000) equity shares of ₹ 10 each fully paid up with voting rights	31,000	31,000

*There are no outstanding preference shares as on the reporting date

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	310,000,000	31,000.00
Add/(less) : Movement during the year	-	-
As at 31st March, 2023	310,000,000	31,000.00
Add/(less) : Movement during the year	-	-
As at 31st March, 2024	310,000,000	31,000.00

b. Rights, preferences and restrictions attached to equity shares

- The Company has only one class of equity shares having par value of ₹ 10 per share.
- Each holder of equity shares is entitled to one vote per share.
- Dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.
- 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

(₹ in lakh)

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 Ultimate holding company w.e.f 21 st October, 2016 (Holding Company upto 20 th October, 2016)	93,000,000	30%	93,000,000	30%
Kotak Securities Limited *	93,000,000	30%	93,000,000	30%
Kotak Alternate Asset Managers Limited (formerly known as Kotak Investment Advisors Limited) *	62,000,000	20%	62,000,000	20%
Kotak Mahindra Capital Company Limited *	62,000,000	20%	62,000,000	20%
	310,000,000	100%	310,000,000	100%

* Subsidiary of Kotak Mahindra Bank Ltd.

Notes

to the Financial Statements for the year ended 31st March, 2024

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	93,000,000	30%	93,000,000	30%
Kotak Securities Limited	93,000,000	30%	93,000,000	30%
Kotak Alternate Asset Managers Limited (formerly known as Kotak Investment Advisors Limited)	62,000,000	20%	62,000,000	20%
Kotak Mahindra Capital Company Limited	62,000,000	20%	62,000,000	20%
	310,000,000	100%	310,000,000	100%

E. DETAILS OF SHARES HELD BY THE PROMOTERS:

As at 31st March, 2024

(₹ in lakh)

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 Ultimate holding company w.e.f. 21 st October, 2016 (Holding Company upto 20 th October, 2016)	Equity shares with voting rights	93,000,000	30%	93,000,000	30%	0.00%

As at 31st March, 2023

(₹ in lakh)

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 Ultimate holding company w.e.f. 21 st October, 2016 (Holding Company upto 20 th October, 2016)	Equity shares with voting rights	93,000,000	30%	93,000,000	30%	0.00%

NOTE 17 OTHER EQUITY

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Special reserve	4,110.24	3,430.24
Capital redemption reserve	19.00	19.00
General reserve	2.50	2.50
Capital contribution from parent	188.24	188.24
Retained earnings	15,675.06	12,977.95
Share issue expenses	(30.59)	(30.59)
	19,964.45	16,587.34



Notes

to the Financial Statements for the year ended 31st March, 2024

NOTE 17.01 NATURE AND PURPOSE OF RESERVE

Special reserve

Special reserve represents appropriation of retained earning as per Section 45 IC of the Reserve Bank of India Act, 1934.

Capital redemption reserve

Capital redemption reserve is created on redemption/buy back of preference/equity share capital. Capital redemption reserve includes transfer from General reserve on redemption/buy back of preference / equity shares.

General reserve

General Reserve represents appropriation of retained earnings and are available for distribution to shareholders.

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.

Share Issue Expenses

Share Issue Expenses comprises of stamp duty expense incurred by the company on issuance of share. This being transaction cost directly attributable to issuance of equity instruments is considered as other component of equity.

NOTE 17.02 OTHER EQUITY MOVEMENT

(₹ in lakh)

Particulars	As at	As at
	31 st March, 2024	31 st March, 2023
(i) Special reserve		
Opening balance	3,430.24	2,825.24
Addition during the year	680.00	605.00
Closing balance	4,110.24	3,430.24
(ii) Capital redemption reserve		
Opening balance	19.00	19.00
Addition during the year	-	-
Closing balance	19.00	19.00
(iii) General reserve		
Opening balance	2.50	2.50
Closing balance	2.50	2.50
(iv) Capital contribution from parent		
Opening balance	188.24	188.24
Closing balance	188.24	188.24
(v) Retained earnings *		
Opening balance	12,977.95	10,560.96
Net profit for the year	3,377.85	3,020.62
Transferred to Special Reserve under section 45IC of Reserve Bank of India, Act 1934	(680.00)	(605.00)
Actuarial gain/ (loss) on remeasurement of defined benefit plan	(0.74)	1.37
Closing balance	15,675.06	12,977.95
(vi) Share Issue expenses		
Opening balance	(30.59)	(30.59)
Closing balance	(30.59)	(30.59)

Notes

to the Financial Statements for the year ended 31st March, 2024

*** 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	0.10	(1.27)
Other Comprehensive Income for the year	(0.74)	1.37
Closing balance	(0.64)	0.10

NOTE 18 INTEREST INCOME

(₹ in lakh)

Particulars	For the year ended 31 st March, 2024				For the year ended 31 st March, 2023			
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total Interest Income	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total Interest Income
Interest on loans	-	7,569.63	-	7,569.63	-	5,155.05	-	5,155.05
Interest income from investments	-	2,386.36	-	2,386.36	-	724.18	-	724.18
Interest on deposits with banks	-	16.99	-	16.99	-	29.40	-	29.40
Total	-	9,972.98	-	9,972.98	-	5,908.63	-	5,908.63

Disaggregation of revenue

The Company's operations fall into a single business segment comprising of 'financing infrastructure projects' and activities incidental thereto, and all its operations are carried out in India. The information given in note 18, 19 and 20 meet the objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with Customers. Hence, no separate disclosures of disaggregated revenues are reported.

NOTE 19 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		
Mutual fund	1,096.64	1,716.73
Total	1,096.64	1,716.73
Fair value changes:		
- Realised	1,098.76	1,710.53
- Unrealised (Net)*	(2.11)	6.20
Total	1,096.65	1,716.73

* 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 20 OTHER INCOME

(₹ in lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Net gain on sale of property, plant and equipment	-	0.14
Interest on income tax refund	45.13	47.68
Miscellaneous income	0.30	4.72
Total	45.43	52.54

NOTE 21 FINANCE COST

(₹ in lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Interest on debt securities	6,486.04	3,911.10
Interest on subordinated liabilities	-	3.96
Other borrowing costs	20.03	-
Total	6,506.07	3,915.06

NOTE 22 IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
On financial instruments measured at amortised cost		
Loans	317.98	103.70
Investments	8.16	19.01
Cash and cash equivalent	(0.98)	1.25
Bank balances	-	0.00
Other receivables	-	(0.01)
Security deposits	-	0.00
Total	325.16	123.95

NOTE 23 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	372.69	181.05
Contribution to provident and other funds	15.61	8.33
Share based payments to employees	4.97	0.68
Staff welfare expenses	2.65	2.33
Total	395.92	192.39

Notes

to the Financial Statements for the year ended 31st March, 2024

NOTE 24 OTHER EXPENSES

(₹ in lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Rent, taxes and energy costs	76.58	41.14
Repairs and maintenance	5.13	3.08
Communication costs	0.10	0.24
Advertisement and business promotion expenses	1.26	1.94
Directors' fees, allowances and expenses	24.20	16.70
Auditors' fees and expenses (Refer Note 27)	10.01	9.33
Legal and professional charges	46.53	37.33
Insurance	0.02	0.04
Travelling and conveyance	6.17	5.55
Common establishment expenses - reimbursements	183.73	185.47
Contribution on corporate social responsibility activities (Refer Note 28)	62.07	64.00
Rates, taxes and fees	41.20	41.89
Royalty expenses	19.12	17.24
Miscellaneous expenses	30.11	18.93
Total	506.23	442.88

NOTE 25 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)

S. 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	3,377.85	3,020.62
	Adjustments	-	-
B)	Profit attributable to equity holders of the Company	3,377.85	3,020.62
C)	Weighted average number of ordinary shares		
	Issued ordinary shares at the beginning of the year	310,000,000	310,000,000
	Number of shares issued during the year (nos.)	-	-
	Weighted average number of shares at the end of the year	310,000,000	310,000,000
D)	Face value per share	10.00	10.00
E)	Basic & Diluted earnings per share	1.09	0.97

NOTE 26 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

(₹ in lakh)

S. No.	Particulars	As at 31 st March, 2024	As at 31 st March, 2023
	Contingent liabilities:	NIL	NIL

The Company is an Infrastructure Debt Fund - Non Banking Finance Company (IDF - NBFC) registered with the Reserve Bank of India on 6th April 2017. Therefore, income of the Company is exempt under sections 10(47) of the Income Tax Act, 1961 (the Act). The Company has applied to CBDT to get it notified in the Official Gazette as required u/s 10(47) of the Act and received approval for the same. Accordingly, no income tax is payable on the company's income for the financial year 2023-24 and therefore no provision for tax & deferred tax asset / liabilities have been recognized.



Notes

to the Financial Statements for the year ended 31st March, 2024

NOTE 27 PAYMENT TO AUDITORS

(₹ in lakh)

S. 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	8.50	8.00
b)	For other services	1.00	1.00
c)	For reimbursement of expenses	0.51	0.33
	Total	10.01	9.33

NOTE 28 CORPORATE SOCIAL RESPONSIBILITY

The Company's CSR project aims to positively contribute towards economic, environmental and social well-being of communities through its Corporate Social Responsibility agenda. CSR project undertaken in FY 2023-24 are in the area of education and livelihood.

As per the provisions of the Section 135 of the Companies Act, 2013, it requires company to spend 2% of its average net profit towards CSR expenditure. For the FY 2023-24, an amount of ₹ 61.88 lakh is required to be spent on CSR activities (Previous year: ₹ 63.65 lakh). After adjusting for excess spend of previous years, the CSR obligation for FY 2023-24 is ₹ 60.38 lakh.

28.01 DISCLOSURES IN RELATION TO CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE:

(₹ in lakh)

S. No.	Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
	Amount spent on CSR		
a)	Kotak Education Foundation	15.07	23.62*
b)	Other initiatives	11.54**	1.1**
	Accrual towards unspent obligations (Shortfall) in relation to:		
(i)	Ongoing project	37.00	40.38
(ii)	Other than ongoing project	-	-
	Total	63.61	65.10
c)	Amount required to be spent as per Section 135 of the Act	61.88	63.65
d)	Amount of cumulative unspent at the end of the year	40.88	40.38
	Amount spent during the year on		
(i)	Construction / acquisition of any asset	0.00	0.00
(ii)	On purposes other than (i) above	26.61**	24.72**

* Excludes ₹ 1.38 lakh of unutilised CSR payment which was refunded by KEF in April 2023 and was subsequently transferred to the Unspent Account.

** Includes Administrative expenses incurred of ₹ 1.54 lakh (previous year ₹ 1.10 lakh).

Notes

to the Financial Statements for the year ended 31st March, 2024

28.02 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 the Company	In Separate CSR Unspent account		From the Company's Bank account	From Separate CSR Unspent account	With Company	In Separate CSR Unspent account
FY 23-24	-	-	62.07	25.07	-	*37.00	-
FY 22-23	40.38	-	64.00	-	**36.50	0.00	**3.89

The amount was transferred to Kotak Mahindra Infrastructure Debt Fund Unspent CSR Account FY 2023-24 in April, 2024

* The amount excludes ₹ 1.27 lakh refund received from the implementing agency in April 24

**Amount includes ₹ 1.27 lakh refund received from an implementing agency in April 24

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

(₹ in lakh)

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
a)	-	-	-	-	-

28.04 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)	1.50	61.88	63.61	3.23

28.05 DETAILS PERTAINING TO CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES:

(₹ in lakh)

Sr. No	Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
a)	Corporate Social Responsibility expenses for the period	63.61	65.10
b)	Various Head of expenses included in above:		
	Note 24: Other Expenses: Contribution on Corporate Social Responsibility activities	63.61	65.10
c)	Details of related party transactions	-	-
d)	Provision for CSR Expenses		
	Opening Balance	40.38	33.04
	Add: Provision created during the period	63.61	65.10
	Less: Provision utilised during the period	(65.72)	(57.77)
	Closing Balance	*38.27	40.38*
e)	The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year	-	-
f)	The total of previous years' shortfall amounts	-	-
g)	The reason for above shortfalls by way of a note	-	-
h)	The nature of CSR activities undertaken by the Company	The CSR activities are undertaken in Focus area Educaiton & Livelihood in terms of Company's CSR policy	The CSR activities are undertaken in Focus area Educaiton & Livelihood in terms of Company's CSR policy

Includes ₹ 1.27 lakh of unutilised CSR payment which was refunded by KEF in April 2024 in separate unspent CSR account for FY 2023-24

* Includes ₹ 1.38 lakh of unutilised CSR payment which was refunded by KEF in April 2023 and was subsequently transferred to the Unspent account

Notes

to the Financial Statements for the year ended 31st March, 2024

NOTE 29 RELATED PARTY DISCLOSURE

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

A. NAMES OF RELATED PARTIES

(₹ in lakh)

Sr. No	Particulars	Country of Incorporation	Proportion of ownership interest
(a)	Holding company:		
	Kotak Mahindra Bank Limited	India	30.00%
	Kotak Securities Limited	India	30.00%
	Kotak Alternate Asset Managers Limited (formerly known as Kotak Investment Advisors Limited)	India	20.00%
	Kotak Mahindra Capital Company Limited	India	20.00%
(b)	Fellow subsidiary:		
	Kotak General Insurance Company Limited	India	
	Kotak Mahindra Life Insurance Company Limited (Kotak Life)	India	
	Kotak Mahindra Prime Limited	India	
	Kotak Mahindra Investments Limited (KMIL)	India	
	Kotak Mahindra Asset Management Company Limited	India	
	Kotak Mahindra Trusteeship Services Limited	India	
	Kotak Mahindra (UK) Limited	UK	
	Kotak Mahindra (International) Limited	Mauritius	
	Kotak Mahindra Asset Management (Singapore) Pte. Ltd.	Singapore	
	Kotak Mahindra Inc	USA	
	Kotak Mahindra Financial Services Limited	U.A.E.	
	Kotak Mahindra Trustee Company Ltd	India	
	Kotak Mahindra Pension Fund Limited	India	
	BSS Microfinance Limited	India	
	IVY Product Intermediaries Limited	India	
	Kotak Karma Foundation (w.e.f. 26 th June, 2023)	India	
	Sonata Finance Private Limited (w.e.f. 28 th March, 2024)	India	
(c)	Key Management Personnel		
	Mr. Dipak Gupta, Director		
	Mr. Paritosh Kashyap, Director		
	Ms. Sujata Guhathakurta, Director		
	Mr. Phani Shankar, Director		
	Mr. Raghunandan Maluste, Independent Director*		
	Mr. Sanjeev Shah, Independent Director*		
	Mr. Veenu Singla, CEO & CFO		
(d)	Others		
	Aero Agencies Limited		

* Categorized as Key Management Personnel as per definition of Ind AS 24, however both the directors Continue to be independent directors as defined in section 149 (6) of the Companies act 2013

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)

S. No.	Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
i.	Short-term employee benefits	75.65	61.95
ii.	Post-employment defined benefit	3.26	2.63
iii.	Share-based payments	4.97	0.68
iv.	Sitting fees and commission	24.20	16.70

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

(b) Transactions with other related parties

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

(₹ in lakh)

S. No.	Particulars	As at 31 st March, 2024	As at 31 st March, 2023
I	Holding Company		
	Transactions during the year :		
	- Kotak Mahindra Bank Limited		
	Finance		
	Term Deposits - Placed	11,000.00	26,100.00
	Term Deposits - Redeemed	16,600.00	20,500.00
	Repayment of preference shares	-	70.00
	Issue of NCD	6,000.00	36,000.00
	Repayment of Borrowing	15,000.00	25,000.00
	Income		
	Interest on Term Deposits	16.99	19.73
	Expenses		
	Interest on Borrowings	495.01	2,503.37
	Rent expenses	73.20	38.44
	Expense reimbursements	14.88	8.85
	Shared Service Cost	147.60	166.15
	Dividend paid	-	9.21
	Demat charges	0.01	0.01
	Bank Charges	0.01	0.21
	IPA / Arrangers Fees	6.20	55.50
	Royalty expense	19.12	17.24
	Employee Liability transfer out	-	17.69



Notes

to the Financial Statements for the year ended 31st March, 2024

(₹ in lakh)

S. No.	Particulars	As at 31 st March, 2024	As at 31 st March, 2023
	Balance outstanding as at the year end		
	Equity Shares	9,300.00	9,300.00
	Term Deposits	23.08	5,622.57
	Borrowings	-	24,195.13
	Current and Savings account balances ('CASA')	1,938.92	664.40
	Shared services payable	41.12	16.93
	IPA fees Payable	-	27.54
II	Fellow Subsidiaries		
	Shared Service Income		
	- Kotak Mahindra Investments Limited	-	4.55
	Shared Service Cost		
	- Kotak Mahindra Investment limited	35.40	20.05
	Insurance Premium paid		
	- Kotak Mahindra Life Insurance Company Limited	-	0.02
	Employee liability transfer-out		
	- Kotak Mahindra Investments Limited	-	2.47
	Balance outstanding as at the year end :		
	Equity shares		
	- Kotak Securities Ltd	9,300.00	9,300.00
	- Kotak Alternate Asset Managers Limited (formerly known as Kotak Investment Advisors Limited)	6,200.00	6,200.00
	-Kotak Mahindra Capital Company Ltd	6,200.00	6,200.00
	Shared service receivable		
	- Kotak Mahindra Investments Limited	-	0.70
	Transactions during the year :		
	Employee Transfer-In		
	- Kotak Mahindra Investments Limited	-	0.37
	Employee Transfer-Out		
	- Kotak Mahindra Investments Limited	-	0.68
	Other Receipts and Payments		
	Service charges Receivable		
	- Kotak Mahindra Investments Limited	-	0.70
	Service charges Payable		
	- Kotak Mahindra Investments Limited	3.35	
	Insurance premium paid in advance		
	- Kotak Mahindra Life Insurance Company Limited	0.59	-
III	Key Management Personnel (KMP)		
	Transactions during the year :		
	Remuneration		
	- Veenu Singla	78.90	64.59

Notes

to the Financial Statements for the year ended 31st March, 2024

NOTE 30 LEASE

The company has paid rent towards short term lease contracts with holding company for sharing of office premises is recognized in the statement of profit and loss under the head "Rent, taxes and energy costs" amounting to ₹ 73.2 lakh (PY ₹ 38.42 lakh).

NOTE 31 EMPLOYEE BENEFITS

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

(i) Defined Contribution Plan:

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 ₹ 14.88 lakh (year ended 31st March, 2023 ₹ 7.92 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 gratuity benefit is provided through unfunded plan and annual contributions are charged to the statement of profit and loss. Under the scheme, the settlement obligation remains with the Company. Company accounts for the liability for future gratuity benefits based on an actuarial valuation. The net present value of the Company's obligation towards the same is actuarially determined based on the projected unit credit method as at the 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	Note	As at	As at
		31 st March, 2024	31 st March, 2023
Total employee benefit liabilities	14	18.48	13.99
Total employee benefit liabilities		18.48	13.99

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	As at	As at	As at	As at	As at
	31 st March, 2024	31 st March, 2023	31 st March, 2024	31 st March, 2023	31 st March, 2024	31 st March, 2023
Included in profit or loss						
Opening balance	13.99	13.49	-	-	13.99	13.49
Current service cost	5.38	2.57	-	-	5.38	2.57
Past service cost	-	-	-	-	-	-
Interest cost (income)	0.89	0.83	-	-	0.89	0.83
Interest on plan assets	-	-	-	-	-	-
	20.26	16.89	-	-	20.26	16.89



Notes

to the Financial Statements for the year ended 31st March, 2024

(₹ 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 OCI						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions	-	0.17	-	-	-	0.17
Financial assumptions	0.12	(0.38)	-	-	0.12	(0.38)
Experience adjustment	0.62	(1.16)	-	-	0.62	(1.16)
Return on plan assets excluding interest income	-	-	-	-	-	-
	0.74	(1.37)		-	0.74	(1.37)
Other						
Contributions paid by the employer	(2.52)	-	-	-	(2.52)	-
Liabilities assumed / (settled)	-	(1.53)	-	-	-	(1.53)
Closing balance	18.48	13.99	-	-	18.48	13.99
Represented by						
Net defined benefit asset	-	-	-	-	-	-
Net defined benefit liability	18.48	13.99	-	-	18.48	13.99

C. Expenses recognised in profit & loss

(₹ in lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Current service cost	5.38	2.57
Interest on net defined benefit liability / (asset)	0.89	0.83
	6.27	3.40

D. Remeasurements recognised in other comprehensive income

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Actuarial loss (gain) arising from:		
Demographic assumptions	-	0.17
Financial assumptions	0.12	(0.38)
Experience adjustment	0.62	(1.16)
	0.74	(1.37)

E. 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	As at 31 st March, 2023
Discount rate	7.15%	7.30%
Salary escalation rate	7.00%	7.00%

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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	As at	As at	As at
	31 st March, 2024	31 st March, 2023	31 st March, 2024	31 st March, 2023
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	18.10	18.88	13.68	14.30
Future salary growth (0.5% movement)	18.83	18.14	14.28	13.70

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

F. Experience Adjustments

(₹ in lakh)

Particulars	Gratuity					
	Year ended 31 st March					
	2024	2023	2022	2021	2020	2019
Defined benefit obligation	18.48	13.99	13.49	24.47	23.32	17.81
Plan assets	-	-	-	-	-	-
Surplus / (deficit)	(18.48)	(13.99)	(13.49)	(24.47)	(23.32)	(17.81)
Experience adjustments on plan liabilities	0.62	(1.16)	1.86	0.94	1.35	(2.66)

G. 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 ₹ 0.55 lakh (Previous year. ₹ (2.83) lakh) for Compensated Absences in the Statement of Profit and Loss.

H. 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 32 SHARE-BASED PAYMENT ARRANGEMENTS

Description of share-based payment arrangements

Stock Appreciation Rights (cash-settled)

The management has approved SARs to be granted to eligible employees as and when deemed fit. The SARs are to be settled in cash and will vest in the manner as provided in the scheme / grant letters to employees. The Company under its various plans / series has granted 580 SARs during FY 2023-24 (90 SARs during FY 2022-23). The contractual life (which is equivalent to the vesting period) of the SARs outstanding ranges from 1.16 years to 4.20 years.



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(₹ 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, Series 40								
Tranche -1	10-May-22	Cash settled	-	-	-	8	31-May-23	1.06
Tranche -2	10-May-22	Cash settled	-	-	-	8	7-Jun-23	1.08
Tranche -3	10-May-22	Cash settled	-	-	-	7	14-Jun-23	1.10
Tranche -4	10-May-22	Cash settled	8	31-May-24	2.06	8	31-May-24	2.06
Tranche -5	10-May-22	Cash settled	8	7-Jun-24	2.08	8	7-Jun-24	2.08
Tranche -6	10-May-22	Cash settled	7	14-Jun-24	2.10	7	14-Jun-24	2.10
Tranche -7	10-May-22	Cash settled	8	31-May-25	3.06	8	31-May-25	3.06
Tranche -8	10-May-22	Cash settled	8	7-Jun-25	3.08	8	7-Jun-25	3.08
Tranche -9	10-May-22	Cash settled	7	14-Jun-25	3.10	7	14-Jun-25	3.10
Tranche -10	10-May-22	Cash settled	7	31-May-26	4.06	7	31-May-26	4.06
Tranche -11	10-May-22	Cash settled	7	7-Jun-26	4.08	7	7-Jun-26	4.08
Tranche -12	10-May-22	Cash settled	7	14-Jun-26	4.10	7	14-Jun-26	4.10
Scheme 2015, Series 55								
Tranche -1	2-May-23	Cash settled	48	30-Jun-24	1.16	-	-	-
Tranche -2	2-May-23	Cash settled	48	7-Jul-24	1.18	-	-	-
Tranche -3	2-May-23	Cash settled	49	14-Jul-24	1.20	-	-	-
Tranche -4	2-May-23	Cash settled	48	30-Jun-25	2.16	-	-	-
Tranche -5	2-May-23	Cash settled	48	7-Jul-25	2.18	-	-	-
Tranche -6	2-May-23	Cash settled	49	14-Jul-25	2.20	-	-	-
Tranche -7	2-May-23	Cash settled	48	30-Jun-26	3.16	-	-	-
Tranche -8	2-May-23	Cash settled	48	7-Jul-26	3.18	-	-	-
Tranche -9	2-May-23	Cash settled	49	14-Jul-26	3.20	-	-	-
Tranche -10	2-May-23	Cash settled	48	30-Jun-27	4.16	-	-	-
Tranche -11	2-May-23	Cash settled	48	7-Jul-27	4.18	-	-	-
Tranche -12	2-May-23	Cash settled	49	14-Jul-27	4.20	-	-	-

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, Series 40	10-May-22	0.17 - 2.21	0.17 - 2.21	-	1,785.50	6.97% - 7.14%	0.08%	17.54% - 20.94%	1,782.19 - 1,785.25
Scheme 2015, Series 55	2-May-23	0.25 - 3.29	0.25 - 3.29	-	1,785.50	7.02% - 7.18%	0.08%	17.28% - 22.98%	1,780.57 - 1,785.13

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, Series 40	10-May-22	0.17 - 3.21	0.17 - 3.21	-	1,721.05	6.92% - 7.29%	0.06%	16.59% - 33.18%	1,717.52 - 1,720.87

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

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

Reconciliation of Stock Appreciation Rights (cash-settled)

Scheme	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
Scheme 2015, Series 40	10-May-22	90	-	(23)	-	-	-	67
Scheme 2015, Series 55	2-May-23	-	580	-	-	-	-	580
		90	580	(23)	-	-	-	647

Scheme	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
Scheme 2015, Series 40	10-May-22	-	90	-	-	-	-	90
		-	90	-	-	-	-	90

* This represents transfer of employees from Holding Company and its subsidiaries

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	4.97	0.68
Compensation cost pertaining to equity-settled employee share-based payment plan included above	-	-
Closing balance of liability for cash-settled options	5.20	0.68
Total intrinsic value of liabilities for vested benefits	5.20	0.68



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to the Financial Statements for the year ended 31st March, 2024

NOTE 33 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

33.01 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	FVOCI	FVTPL	Others	Amortised Cost	FVTOCI	FVTPL	Others
Financial assets								
Cash and cash equivalents	1,941.35	-	-	-	6,273.09	-	-	-
Bank Balance other than cash and cash equivalents	23.08	-	-	-	23.08	-	-	-
Receivables:								
Other receivables	0.68	-	-	-	1.63	-	-	-
Loans	102,766.35	-	-	-	69,947.96	-	-	-
Investments	26,304.46	-	10,411.96	-	27,768.55	-	16,179.96	-
Other financial assets	2.59	-	-	-	2.59	-	-	-
Total	131,038.51	-	10,411.96	-	104,016.90	-	16,179.96	-
Financial liabilities								
Payables:								
Trade Payables	117.20	-	-	-	94.16	-	-	-
Other Payables	40.88	-	-	-	38.71	-	-	-
Debt securities	91,477.99	-	-	-	73,613.92	-	-	-
Total	91,636.07	-	-	-	73,746.79	-	-	-

33.02 FAIR VALUE

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								
Investments in Mutual Funds	10,411.96	-	-	10,411.96	16,179.96	-	-	16,179.96
Total	10,411.96	-	-	10,411.96	16,179.96	-	-	16,179.96

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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				
	Level 1	Level 2	Level 3	Total	Fair Value
Financial assets					
Loans	-	96,971.67	-	96,971.67	102,766.35
Investments	-	27,327.37	-	27,327.37	26,304.46
Total	-	124,299.04	-	124,299.04	129,070.81
Financial liabilities					
Debt securities	-	92,389.05	-	92,389.05	91,477.99
Total	-	92,389.05	-	92,389.05	91,477.99

(₹ in lakh)

Particulars	Fair value				
	As at 31 st March, 2023				
	Level 1	Level 2	Level 3	Total	Fair Value
Financial assets					
Loans	-	71,510.58	-	71,510.58	69,947.96
Investments	-	28,547.10	-	28,547.10	27,768.55
Total	-	100,057.68	-	100,057.68	97,716.51
Financial liabilities					
Debt securities	-	72,688.15	-	72,688.15	73,613.92
Total	-	72,688.15	-	72,688.15	73,613.92

Fair value of items in Statement of Financial Position is presented below:

(₹ 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				
Cash and cash equivalents	1,941.35	1,941.35	6,273.09	6,273.09
Bank Balance other than cash and cash equivalent	23.08	23.08	23.08	23.08
Receivables:				
Trade receivables	-	-	-	-
Other receivables	0.68	0.68	1.63	1.63
Loans	102,766.35	96,971.67	69,947.96	71,510.58
Investments	36,716.42	37,739.33	43,948.51	44,727.06
Other financial assets	2.59	2.59	2.59	2.59
Total	141,450.47	136,678.70	120,196.86	122,538.03
Financial liabilities				
Payables				
Trade payables	117.20	117.20	94.16	94.16
Other payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	40.88	40.88	38.71	38.71
Debt securities	91,477.99	92,389.05	73,613.92	72,688.15
Total	91,636.07	92,547.13	73,746.79	72,821.02

The fair value of trade payables, other financial assets, other receivables, cash and cash equivalent including other current bank balances and other financial liabilities etc. are considered to be the same as their carrying amount, due to current and short term nature of such balances.



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to the Financial Statements for the year ended 31st March, 2024

33.03 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 on 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.

33.03.1. Financial instruments valued at carrying value

The respective carrying values of certain on-balance sheet financial instruments approximated their fair value. These financial instruments include cash in hand and bank balances, trade receivables, trade payables, certain other assets and liabilities that are considered financial instruments. Carrying values were assumed to approximate fair values for these financial instruments as they are short-term in nature and their recorded amounts approximate fair values or are receivable or payable on demand.

33.03.2. Valuation techniques used to determine fair value:

33.03.2.1. Investments in Mutual Funds

The fair values of investments in mutual funds is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

33.03.2.2. Investments in bonds

The fair values of investments are calculated based on a discounted cash flow model. It considers the present value of expected receipts/payments discounted using appropriate discounting rates.

33.03.3. Fair value of financial instruments carried at amortised cost

33.03.3.1. Loans

The fair values of loans that do not reprice or mature frequently are estimated using discounted cash flow models. The discount rates were based on yield curves appropriate for the remaining maturities of the Loans as published by FIBIL consequently for the purposes of level disclosures categorized under Level 2. Fair value of Level 2 loans would decrease (increase) in value depending on increase (decrease) in discount rate.

33.03.3.2. Borrowings

The fair values of the Company's borrowings and other debt securities are calculated based on a discounted cash flow model. The discount rates were based on yield curves appropriate for the remaining maturities of the instruments as published by FIBIL.

33.04 FINANCIAL RISK MANAGEMENT

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

- Credit risk ;
- Liquidity risk ; and
- Interest rate risk

Notes

to the Financial Statements for the year ended 31st March, 2024

33.05 RISK MANAGEMENT FRAMEWORK

The Risk Management Policy, *inter alia*, includes identification therein of elements of risk, including those which in the opinion of the Board may threaten the existence of the Company. Risk management process has been established across the Company and is designed to identify, assess and frame a response to threats that affect the achievement of its objectives. Further, it is embedded across all the major functions and revolves around the goals and objectives of the organization.

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 oversees how the management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. 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.

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

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

Risk	Exposure arising from	Management
Credit Risk	Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances. Credit risk encompasses both, direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks.	<p>The company adheres to high standards of credit risk management and mitigation. The lending proposals are approved by two tier structure i.e Credit Committee and Board and are subjected to thorough assessment of promoters; group financial strength and leverage; operational & financial performance track record; cash flows; evaluation of collateral (projects - considering status of operations, market benchmarking / cash flows).</p> <p>The exposures are regularly monitored for project performance, cash flows, security cover etc.</p> <p>Board of Directors (the Board) of the Company is the guiding body for management of its credit risk 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, sectoral and geographical caps and by monitoring exposures in relation to such limits.</p>
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.	<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. 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>



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to the Financial Statements for the year ended 31st March, 2024

Risk	Exposure arising from	Management
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. Interest rate risk arises from mismatches in re-pricing of interest rate sensitive assets (RSA) and rate sensitive liabilities (RSL).	<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.</p> <p>Treasury is entrusted with the responsibility of managing interest rate risk within the overall risk limits as approved by the Board.</p> <p>ALCO is responsible for ensuring adherence to the risk tolerance/limits set by the Board.</p>

F) Narrative disclosures - Collateral

The amount of collateral obtained, if deemed necessary by the company upon extension of credit, is based on management's credit evaluation of the counterparty. Collateral primarily include Infrastructure projects which have completed more than 1 year of operation.

NOTE 33 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

33.05.1. CREDIT RISK

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances. Credit risk encompasses both, direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks.

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
Loans	103,385.17	70,248.80
Investments	26,343.05	27,798.98
Other financial assets	1,968.16	6,301.83
Total	131,696.38	104,349.61

Notes

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33.5.1.1. Credit quality analysis

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	12-month ECL	Life Time ECL-not Credit Impaired
Loans at amortised cost				
High grade (AAA to A-)	86,319.67	8,433.84	66,224.60	-
Standard grade (BBB+ to BBB-)	4,274.00	2,424.81	-	2,059.89
Sub-standard grade (B+ to CCC-)	-	-	-	-
Unrated	1,932.85	-	1,964.31	-
Non Performing	-	-	-	-
Gross carrying value	92,526.52	10,858.65	68,188.91	2,059.89
Impairment loss allowance	(251.58)	(367.24)	(239.95)	(60.89)
Carrying amount	92,274.94	10,491.41	67,948.96	1,999.00

(₹ in lakh)

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	12-month ECL	Life Time ECL-not Credit Impaired	12-month ECL	Life Time ECL-not Credit Impaired
Investments at amortised cost				
High grade (AAA to A-)	26,343.05	-	27,798.98	-
Standard grade (BBB+ to BBB-)	-	-	-	-
Sub-standard grade (B+ to CCC-)	-	-	-	-
Unrated	-	-	-	-
Non Performing	-	-	-	-
Gross carrying value	26,343.05	-	27,798.98	-
Impairment loss allowance	(38.59)	-	(30.43)	-
Carrying amount	26,304.46	-	27,768.55	-

(₹ in lakh)

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	12-month ECL	Life Time ECL-not Credit Impaired	12-month ECL	Life Time ECL-not Credit Impaired
Other financial assets				
Current	1,968.16	-	6,301.83	-
Gross carrying value	1,968.16	-	6,301.83	-
Impairment loss allowance	(0.46)	-	(1.45)	-
Carrying amount	1,967.70	-	6,300.38	-



Notes

to the Financial Statements for the year ended 31st March, 2024

33.05.1.2 Narrative disclosures of credit risk

The amount of collateral obtained, if deemed necessary by the company upon extension of credit, is based on management's credit evaluation of the counterparty. Security primarily include Infrastructure projects which have completed more than 1 year of operation

33.05.1.3. Amounts arising from ECL

i. Inputs, assumptions and techniques used for estimating impairment on loans

Inputs considered in the ECL model:

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk since initial recognition on an ongoing basis at each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience, credit assessment and including forward looking information.

Loans and Investments are categorized into three stages based on the risk profiles. The three stages reflect the general pattern of credit deterioration of a financial instrument.

The company categorises loan assets into stages based on the days past due status.

- Current	- Stage 1
- 0-30 days past due	- Stage 1
- 31- 60 days past due	- Stage 2
- 61- 90 days past due	- Stage 2
- More than 90 days past due	- Stage 3

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

Further, company considers following factors to determine staging:

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.

For upgradation from higher stage to lower stage:

If downgrade was because of deterioration in credit rating (Internal or External), Loan is moved from higher stage to lower stage as soon as rating moves back to rating at the time of initial recognition. In other cases Loan is moved from higher stage to lower stage after following cooling off period is applied:

For Upgrade from Stage 2 to Stage 1

- Account should Continue in lower than 30 dpd for at least six months.

For Upgrade from Stage 3 to Stage 2

- Account should Continue in lower than 90 dpd for at least six months or
- Moves to Zero dpd

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. Company is computing Probability of default using average of default rate observed by respective Credit Rating Agencies over last 10 years for their respective rating.

- "Exposure at default" (EAD) represents the expected exposure in the event of a default and is the gross carrying amount in case of the financial assets held by the Company.

Notes

to the Financial Statements for the year ended 31st March, 2024

- "Loss given default" (LGD) is an estimate of loss from a transaction given that a default occurs. Company is applying appropriate hair cut on the value of collateral depending on the type of collateral. All loans are secured by multiple collateral securities (Property, plant and machinery, receivable and Listed Shares). Company further applies minimum LGD for secured and unsecured exposure computed after applying applicable haircut.

The Company provides for Expected Credit Losses based on the following:

Category - Description	Basis for recognition of ECL
1. Stage 1 - Standard (Performing) Asset -	12 month PD
2. Stage 2 - Significant Credit Deteriorated Asset -	Life time PD
3. Stage 3- Default (Credit Impaired) Asset -	100% PD

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, lending rate, private consumption, domestic demand and money supply. This process involves developing two or more additional 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.

Assessment of significant increase in credit risk:

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 more than 30 days past due.

Credit Impaired:

A default on a financial asset is when the counterparty fails to make the contractual payments within 90 days from the day it is due. Accordingly the financial assets shall be classified as Stage 3, if on the reporting date, it has been 90 days past due.

Policy for write-off of Financial assets

All loans which in the opinion of management are not recoverable are written off.

33.05.1.4. Impairment loss allowance

The following table shows movement of the loss allowances and write offs from opening balance to closing balance :

(₹ in lakh)

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	12-month ECL	Life Time ECL-not Credit Impaired	12-month ECL	Life Time ECL-not Credit Impaired
Loans at amortised cost				
Opening balance	239.95	60.89	150.07	47.07
Transfer to/(from) 12 month ECL	(50.91)	50.91	-	-
Net remeasurement of loss allowance	(15.18)	152.46	23.44	13.82
New financial assets originated during the year	123.31	163.87	97.77	-
Financial assets that have been derecognised during the period	(45.59)	(60.89)	(31.33)	-
Closing balance	251.58	367.24	239.95	60.89



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	
	12-month ECL	Life Time ECL-not Credit Impaired	12-month ECL	Life Time ECL-not Credit Impaired
Investments				
Opening balance	30.43	-	11.42	-
Net remeasurement of loss allowance	8.16	-	1.97	-
New financial assets originated during the year	-	-	20.95	-
Financial assets that have been derecognised during the period	-	-	(3.91)	-
Closing balance	38.59	-	30.43	-

(₹ in lakh)

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	12-month ECL	Life Time ECL-not Credit Impaired	12-month ECL	Life Time ECL-not Credit Impaired
Other financial assets				
Opening balance	1.45	-	0.20	-
Addition/Reduction during the year	(0.99)	-	1.25	-
Closing balance	0.46	-	1.45	-

33.05.2. Liquidity Risk

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

Maturity Profile of Financial Liabilities

The following are the remaining contractual maturities of financial asset & liabilities at the reporting date. For Financial Liabilities amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements, if any. For financial assets, only carrying values (excluding any provision for impairment loss) as on the reporting date are considered.

Notes

to the Financial Statements for the year ended 31st March, 2024

(₹ in lakh)

Particulars	Carrying amount	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	Total
As at 31st March, 2024												
Financial assets												
Cash and cash equivalents	1,941.35	1,939.17	-	-	-	-	-	-	2.62	-	-	1,941.79
Bank balance other than cash and cash equivalents	23.08	-	-	-	-	-	-	23.09	-	-	-	23.09
Other receivables	0.68	-	-	-	-	0.68	-	-	-	-	-	0.68
Loans	102,766.35	-	-	50.85	50.85	2,338.73	2,555.49	4,812.82	20,277.82	19,337.16	53,961.45	103,385.17
Investments	36,716.42	10,411.96	-	-	-	125.49	344.97	5,636.37	1,556.43	2,829.76	15,850.03	36,755.01
Other financial assets	2.59	-	-	-	-	-	-	-	-	-	2.60	2.60
Financial liabilities												
Trade payables	117.20	2.71	-	70.02	-	44.47	-	-	-	-	-	117.20
Other payables	40.88	-	-	-	-	-	-	-	40.88	-	-	40.88
Debt securities	91,477.99	414.50	-	-	915.00	10,958.00	685.95	4,815.08	12,773.05	75,866.97	14,413.10	120,841.65

(₹ in lakh)

Particulars	Carrying amount	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	Total
As at 31st March, 2023												
Cash and cash equivalents	6,273.09	6,274.51	-	-	-	-	-	-	-	-	-	6,274.51
Bank balance other than cash and cash equivalents	23.08	-	-	-	-	-	-	23.09	-	-	-	23.09
Other receivables	1.63	-	-	-	-	1.63	-	-	-	-	-	1.63
Loans	69,947.96	-	-	58.14	58.15	1,721.19	2,008.93	3,691.00	13,843.04	14,670.41	34,197.95	70,248.80
Investments	43,948.51	16,179.96	-	-	-	143.87	287.51	568.36	6,822.93	1,567.93	18,408.38	43,978.94
Other financial assets	2.59	-	-	-	-	-	-	-	-	-	2.60	2.60
Financial liabilities												
Trade payables	94.16	-	-	78.02	-	16.14	-	-	-	-	-	94.16
Other payables	38.71	-	-	-	-	-	-	-	38.71	-	-	38.71
Debt securities	73,613.92	-	-	-	915.00	1,194.26	15,094.63	3,789.70	18,566.90	28,746.44	25,899.99	94,206.93

33.05.3. Interest Rate Risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing borrowings, loans and investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing loans & investments will fluctuate because of fluctuations in the interest rates.



Notes

to the Financial Statements for the year ended 31st March, 2024

33.05.3.1. Exposure to interest rate risk

Company's interest rate risk arises from borrowings, loans and advances. The interest rate profile of the Company's interest bearing financial instruments as reported to the management of the Company is as follows.

(₹ in lakh)

Particulars	As at	
	31 st March, 2024	31 st March, 2023
Fixed-rate instruments		
Financial assets	97,886.95	78,977.10
Financial liabilities	(91,477.99)	(57,713.84)
Variable-rate instruments		
Financial assets	42,276.32	40,874.49
Financial liabilities	-	(15,900.08)
Rate Insensitive	1,129.12	212.40
Total Net	49,814.40	46,450.07

33.05.3.2. Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

33.05.3.3. Cash flow sensitivity analysis for variable-rate instruments

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	As at 31 st March, 2024		As at 31 st March, 2023	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	Variable rate instruments	422.76	(422.76)	249.74
Cash Flow Sensitivity	422.76	(422.76)	249.74	(249.74)

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.

33.05.4. Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is exposed to market risk which primarily includes risk of change in market value of investments. Thus, exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities. Objective of Market risk management is to minimize impact of change in Market value of lending/investments.

33.05.5. Currency Risk

The Company is not exposed to currency risk.

Notes

to the Financial Statements for the year ended 31st March, 2024

NOTE 34 CAPITAL DISCLOSURE

The primary objectives of the capital management policy is to ensure that the Company complies with capital requirements stipulated 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	91,477.99	73,613.92
	Total Debt	91,477.99	73,613.92
(B)	Total Equity (including all reserves)	50,964.45	47,587.34
	Debt to equity ratio	1.79	1.55

NOTE 35 SEGMENT REPORTING

The main Business activity of the Company is to lend/invest for/in Infrastructure projects, 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.

The Company operates in one business segment and one geographical segment. The entire business is carried out in India only. Since there is only one business activity, no segment disclosure is provided as per IND AS 108, "Operating Segments".

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.

NOTE 36 MATURITY DISCLOSURE

(₹ 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	1,941.35	-	1,941.35	6,273.09	-	6,273.09
Bank Balance other than cash and cash equivalents	23.08	-	23.08	23.08	-	23.08
Other receivables	0.68	-	0.68	1.63	-	1.63
Loans	9,753.18	93,013.17	102,766.35	7,509.82	62,438.14	69,947.96
Investments	16,515.14	20,201.28	36,716.42	17,177.75	26,770.76	43,948.51
Other Financial assets	-	2.59	2.59	-	2.59	2.59
Sub total	28,233.43	113,217.04	141,450.47	30,985.37	89,211.49	120,196.86
Non-financial assets						
Current Tax assets (Net)	-	1,191.97	1,191.97	-	1,179.59	1,179.59
Property, Plant and Equipment	-	35.47	35.47	-	29.28	29.28
Other intangible assets	-	0.95	0.95	-	2.04	2.04
Intangibles under development	-	35.00	35.00	-	-	-
Other Non-financial assets	26.66	-	26.66	32.19	-	32.19
Sub total	26.66	1,263.39	1,290.05	32.19	1,210.91	1,243.10
Total Assets	28,260.09	114,480.43	142,740.52	31,017.56	90,422.40	121,439.96



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		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
LIABILITIES						
Financial liabilities						
Payables	117.20	-	117.20	94.16	-	94.16
(II) Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	40.88	-	40.88	38.71	-	38.71
Debt securities	13,084.37	78,393.61	91,477.99	17,205.65	56,408.26	73,613.91
Sub total	13,242.45	78,393.61	91,636.07	17,338.52	56,408.26	73,746.78
Non-Financial liabilities						
Current tax liabilities (Net)	32.10	-	32.10	32.10	-	32.10
Provisions	7.49	18.25	25.74	4.19	11.95	16.14
Other non-financial liabilities	82.16	-	82.16	57.59	-	57.59
Sub total	121.75	18.25	140.00	93.88	11.95	105.83
Total Liabilities	13,364.21	78,411.86	91,776.07	17,432.40	56,420.21	73,852.61

NOTE 37 LITIGATION

The Company does not have any pending litigations as at 31st March, 2024 and 31st March, 2023 which would impact its financial position.

NOTE 38 The Company has not guaranteed any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties, either severally or jointly with any other person, that are repayable on demand; or without specifying any terms or period of repayment.

NOTE 39 The Company does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

NOTE 40 The title deeds of immovable properties included in property, plant and equipment and intangible assets are held in the name of the Company. The Company has not revalued any of its property, plant and equipment and intangible assets.

Note 41 The Company has obtained various borrowings from banks/ FI on basis of security of current assets wherein the quarterly returns/ statements of current assets as filed with banks/ FI are in agreement with the books. The company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date. The company is not declared as willful defaulter by any bank or financial Institution or other lender as at 31st March, 2024.

Note 42 The company has not advanced / loaned / invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (i) directly or indirectly lend / invest in other person or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries ('UB'));
- (ii) provide any guarantee, security or the like to or on behalf of the UB; the company shall disclose specific details about the transaction and the parties involved.
- (b) The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall:
 - (I) directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries")
 - (II) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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to the Financial Statements for the year ended 31st March, 2024

NOTE 43 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 31st March, 2024.

NOTE 44 There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.

NOTE 45 The company has complied with the number of layers prescribed u/s (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017. There are no Scheme of Arrangements that has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 as at 31st March, 2024.

NOTE 46 There are no transactions that are not recorded in the books of accounts which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

NOTE 47 No crypto/ virtual currency was traded/ invested during the year. No deposits/advances were received from any person for the purpose of trading / investing in crypto currency during the year.

NOTE 48 As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014 the Company uses only such accounting software for maintaining its books of account that have a feature of recording audit trail of each and every transaction creating an edit log of each change made in the books of account along with the date when such changes were made within such accounting software. This feature of recording audit trail has operated throughout the year and was not tampered with during the year. In respect of one cloud based accounting software, the Service Organization Control Report does not cover whether audit trail was enabled or not as per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014 for direct data changes at the database level. The Company has established and maintained an adequate internal control framework and based on its assessment, believes that this was effective as of 31st March, 2024.

NOTE 49 SEBI DISCLOSURE

49.01. Initial Disclosure in terms of Chapter XII of circular SEBI/HO/DDHS/P/CIR/2021/613 dated 10th August, 2021 (as updated as on 07th July, 2023) - Annexure A

S. No.	Particulars	Details
1	Name of the company	Kotak Infrastructure Debt Fund Limited
2	CIN	U65910MH1988PLC048450
3	Outstanding borrowing of company as on 31 st March, 2024	885 cr
4	Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	NCD: CRISIL AAA/Stable & ICRA AAA CP: CRISIL AI+ ICRA A1 + -MLD AA+/Stable
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

The Company confirms that it is a Large Corporate as per the applicability criteria given under the Chapter XII of SEBI Operational circular dated 10th August, 2021.

Signatories name

Subhadra Atanur
Company Secretary

Veenu Singla
Chief Financial officer

Date : 24th April, 2024

* Face Value of Rupee Bond and CPs and Principal Outstanding in case of Loans/ICDs

- *In terms paragraph of 2.2(d) of the circular, beginning FY 2022, in the event of shortfall in the mandatory borrowing through debt securities, a fine of 0.2% of the shortfall shall be levied by Stock Exchanges at the end of the two-year block period. Therefore, an entity identified as LC shall provide, in its initial disclosure for a financial year, the name of stock exchange to which it would pay the fine in case of shortfall in the mandatory borrowing through debt markets.



Notes

to the Financial Statements for the year ended 31st March, 2024

49.02. Annual Disclosure to be made by an entity identified as Large Entities under Chapter XII of circular SEBI/HO/DDHS/P/CIR/2021/613 dated 10th August, 2021 (updated as on 07th July, 2023) read with circular SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated 10th August, 2021 (updated as on 07th July, 2023) (Annexure B2)

S. No.	Particulars	Details
1	Name of the company	Kotak Infrastructure Debt Fund Limited
2	CIN	U65910MH1988PLC048450
3	Report filed for FY (T)	2023-24
4	Details of Current Block:	
i)	3-year block period (Specify financial years)	FY -2021-2022, FY- 2022-2023, FY 2023-2024
ii)	Incremental borrowing done in FY (T) (a)	320
iii)	Mandatory borrowing to be done through debt securities in FY (T)(b) = (25% of a)	80
iv)	Actual borrowing done through debt securities in FY (T) (c.)	320
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 2023-2024
ii)	Amount of fine to be paid for the block, if applicable Fine = 0.2% of {(d)-(e)}	NIL

For Kotak Infrastructure Debt Fund Limited

Signatories name

Subhadra Atanur
Company Secretary

Veenu Singla
Chief Financial officer

Date : 24th April, 2024

49.03. Disclosure under Regulation 53(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Debenture Trustees:

IDBI Trusteeship Services Ltd.
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001
Tel. : 022-40807050
Fax : 022-40807021
Email: jimit@idbitrustee.com
Website: www.idbitrustee.com

Notes

to the Financial Statements for the year ended 31st March, 2024

Disclosure under Regulation 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Related Party transactions

(₹ in lakh)

Particulars	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	-	-
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	-	-

(Refer Related party disclosure Note 29)

Disclosure under Regulation 54(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Asset cover

The Rupee bonds are secured by way of a first and pari passu mortgage in favour of the Security Trustee on the Company's immovable property of ₹ 24.34 lakh (net value) and further secured by way of hypothecation/mortgage of charged assets such as receivables arising out of loan, lease and hire purchase, book debts, current assets and investments (excluding strategic investments of the Company which are in the nature of equity shares) with an asset cover ratio of minimum 1.00 time value of the bonds during the tenure of the bonds. Asset cover available as on 31st March, 2024 in case of non-convertible debt securities issued by company is 1.55:1.

Note 49.04. Disclosure in compliance with Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

S No.	Particulars	Ratio
a)	Debt Equity Ratio	1.79:1
b)	Net Worth	₹ 50,964.45 Lakh.
c)	Net Profit after Tax	₹ 3,377.85 Lakh.
d)	Earning Per Share	Basic & Diluted - ₹ 1.09
e)	Current Ratio	2.11:1
f)	Long Term Debt to Working Capital Ratio	5.26:1
g)	Bad Debt to Account Receivable Ratio	NA
h)	Current Liability Ratio	14.56%
i)	Total Debts to Total Assets	64.09%
j)	Operating Margin (%)	33.32%
k)	Net Profit Margin (%)	30.39%
l)	Sector Specific equivalent Ratios such as	
	(i) Stage III ratio	0.00%
	(ii) Provision Coverage Ratio	0.00%
	(iii) LCR Ratio	Not Applicable



Notes

to the Financial Statements for the year ended 31st March, 2024

NOTE 50 DISCLOSURES AS REQUIRED BY THE NBFC MASTER DIRECTIONS ISSUED BY RBI

NOTE 50.01 Capital

S. No.	Particulars	Numerator	Denominator	31 st March, 2024	31 st March, 2023
1.0	CRAR (%)	51,207.17	85,936.31	59.59%	67.67%
2.0	CRAR - Tier I Capital (%)	50,916.54	85,936.31	59.25%	67.28%
3.0	CRAR - Tier II Capital (%)	290.63	85,936.31	0.34%	0.39%
4.0	Amount of subordinated debt raised as Tier-II capital (₹ lakh)			-	-
5.0	Amount raised by issue of Perpetual Debt Instruments (₹ lakh)			-	-

NOTE 50.02 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	36,755.01	43,978.94
ii	Outside India,	-	-
1.2	Provisions for Depreciation:		
i	In India	38.59	30.43
ii	Outside India,	-	-
1.3	Net Value of Investments		
i	In India	36,716.42	43,948.51
ii	Outside India,	-	-
2.0	Movement of provisions held towards depreciation on investments		
2.1	Opening balance	30.43	11.42
2.2	Add : Provisions made during the year	8.16	20.95
2.3	Less : Write-back/ (write-off) of excess provisions during the year	-	(1.94)
2.4	Closing balance	38.59	30.43

NOTE 50.03 Derivatives

50.03.1. 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	-	-
2	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
3	Collateral required by the NBFC upon entering into swaps	-	-
4	Concentration of credit risk arising from the swaps	-	-
5	The fair value of the swap book	-	-

Notes

to the Financial Statements for the year ended 31st March, 2024

50.03.2. 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)	-	-

50.03.3. Disclosures on Risk Exposure in Derivatives

The Company did not have any open interest in derivative contracts during the current year.

50.03.4. Quantitative Disclosures

(₹ in lakh)

S No.	Particulars	Currency Derivatives	Interest Rate Derivatives
1.0	Derivatives (Notional Principal Amount)	-	-
	For hedging	-	-
2.0	Marked to Market Positions		
i	Assets(+)	-	-
ii	Liability(-)	-	-
3.0	Credit Exposure	-	-
4.0	Unhedged Exposures	-	-



Notes

to the Financial Statements for the year ended 31st March, 2024

NOTE 50.04 Disclosures relating to Securitisation

50.04.1. 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
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	-
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

50.04.2. 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

50.04.3. Details of non-performing financial assets purchased / sold - Nil (Previous year Nil)

NOTE 50.05 Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

As at 31st March, 2024

(₹ in lakh)

Particulars	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*	-	-	50.93	50.93	2,357.14	2,579.53	4,849.40	20,447.06	19,494.65	52,936.70	102,766.35
Investments	10,411.96	-	-	-	125.75	345.20	5,636.83	1,558.33	2,831.67	15,806.68	36,716.42
Borrowings*	-	-	-	767.50	10,667.75	466.67	1,188.75	-	65,887.31	12,500.00	91,477.99
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

As at 31st March, 2023

(₹ in lakh)

Particulars	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*	-	-	58.28	58.28	1,721.78	2,016.96	3,693.64	13,869.00	14,708.47	33,821.55	69,947.96
Investments	16,179.96	-	-	-	144.01	287.63	568.59	6,824.99	1,570.00	18,373.33	43,948.51
Borrowings*	-	-	-	767.09	900.59	15,000.00	538.48	9,972.70	20,935.06	25,500.00	73,613.92
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

* 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 used for regulatory submission



Notes

to the Financial Statements for the year ended 31st March, 2024

NOTE 50.06 Exposures

50.06.1. 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	-	-
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;	-	-
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	-	-

50.06.2. 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	-	-
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	-	-
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	-	-
1.10	All exposures to Alternative Investment Funds: (i) Category I (ii) Category II (iii) Category III	-	-
	Total exposure to capital market	-	-

Notes

to the Financial Statements for the year ended 31st March, 2024

50.06.3. Financing of parent company products : Nil (Previous year Nil)

50.06.4. Disclosure in respect of exposure where Single Borrower Limit (SBL) / Group Borrower Limit (GBL) prescribed by RBI has been exceeded : Nil (Previous year Nil)

50.06.5. Unsecured Advances:

The amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. has been taken as also the estimated value of such intangible collateral – ₹ Nil (Previous year ₹ Nil)

NOTE 50.07 Registration obtained from other financial sector regulators: Nil

NOTE 50.08 Disclosure of Penalties imposed by RBI and other regulators: ₹11,800 including tax (Previous year Nil)

NOTE 50.09 Related Party Transactions

50.09.1. Details of all material transactions with the related parties

Refer Note No. 29

50.09.2. Policy on dealing with Related Party transaction:

The Company has made a list of related parties after considering the requirements and based on the annual declaration received from individuals like Directors and Key Managerial Personnel (KMP). The Directors and KMP's are also required to inform the Company of any changes to such declaration during the year. All related party transactions are reported and referred for approval to the Audit Committee as per section 177 of the Companies Act, 2013. The Audit committee may grant general approval for repetitive related party transactions. Such general approval will be valid for a period of one year and a fresh approval shall be taken for every financial year.

As per section 188 of the Companies Act, 2013, the consent of the Board/Shareholders' approval is required, by a special resolution in a general meeting, for entering into the specified transactions with a related party, if they are not in ordinary course of business of the Company or at arm's length and exceeds the threshold limits as specified in the Act.

NOTE 50.10 Ratings assigned by credit rating agencies and migration of ratings during the year

Rating Agency	Instrument	Rating	Effective Date	Valid Upto
CRISIL	Long Term Rating for Rupee Bonds aggregating ₹ 1200 crore	CRISIL AAA/stable	14-Mar-24	** Upto the maturity of the Rupee Bonds issued under the same
CRISIL	Short Term Debt Programmed (including Commercial Paper) for ₹ 50 crore	CRISIL A1+	14-Mar-24	** Upto the maturity of the CP issued under the same
ICRA	Long Term Rating for Rupee Bonds aggregating ₹ 1200 crore	ICRA AAA/stable	7-Mar-24	** Upto the maturity of the Rupee Bonds issued under the same
ICRA	Short Term Debt Programmed (including Commercial Paper) for ₹ 50 crore	ICRA A1+	7-Mar-24	** Upto the maturity of the CP issued under the same



Notes

to the Financial Statements for the year ended 31st March, 2024

NOTE 50.11 Remuneration of Directors

The details of transaction with Non-Executive Independent Directors are as below:

(₹ in lakh)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Directors' Sitting Fees	16.70	11.70
Commission to Directors	7.50	5.00

NOTE 50.12 Provisions and Contingencies

Break up of 'Provisions and Contingencies' (including write – offs; net of write-backs) shown under the head Expenditure in Profit and Loss Account

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Provisions / (write back) for depreciation on Investment at Amortized Cost	8.16	19.01
Provision / (write back) for NPA	-	-
Provision made towards Income tax	-	-
Other Provision and Contingencies (with details)	-	-
Provision for Standard Assets/Stage 1 and 2 cases	317.98	103.70

NOTE 50.13 Draw Down from Reserves

There was no draw down from reserves during the financial year. (Previous year Nil)

NOTE 50.14 Concentration of Deposits, Advances, Exposures and NPAs

50.14.1. 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	116,583.53	95,557.96
Percentage of Advances to twenty largest borrowers / customers to Total Exposure of the company on borrowers / customers	88.26%	96.53%

50.14.2. 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	118,827.38	96,507.96
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the company on borrowers / customers	89.96%	97.49%

50.14.3. 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	-	-

Notes

to the Financial Statements for the year ended 31st March, 2024

50.14.4. Sector-Wise NPAs

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Agriculture & allied activities	-	-
MSME	-	-
Corporate borrowers	-	-
Services	-	-
Unsecured personal loans	-	-
Auto loans	-	-
Other personal loans	-	-

NOTE 50.15 Movement of NPAs

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Net NPAs to Net Advances (%)	-	-
Movement of NPAs (Gross)		
Opening balance	-	-
Additions during the year	-	-
Reductions during the year	-	-
Closing balance	-	-
Movement of Net NPAs		
Opening balance	-	-
Additions during the year	-	-
Reductions during the year	-	-
Closing balance	-	-
Movement of provisions for NPAs (excluding provisions on standard assets)		
Opening balance	-	-
Provisions made during the year	-	-
Write-off / write-back of excess provisions	-	-
Closing balance	-	-

NOTE 50.16 Overseas Assets: Nil (Previous year Nil)

NOTE 50.17 Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms): Nil (Previous year Nil)

NOTE 50.18 Customer Complaints

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	-	-
No. of complaints redressed during the year	-	-
No. of complaints pending at the end of the year	-	-



Notes

to the Financial Statements for the year ended 31st March, 2024

NOTE 50.19 SCHEDULE TO THE BALANCE SHEET

Liabilities Side

(₹ in lakh)

Particulars	Amount Outstanding	Amount Overdue
1. Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
a Rupee Bonds: Secured #	91,477.99	-
Rupee Bonds: Unsecured #	-	-
b Deferred Credits	-	-
c Terms Loans	-	-
d Inter-corporate loans and borrowing	-	-
e Commercial Paper	-	-
f Public Deposits	-	-
g Other Loans – Secured Overdraft facility from Bank	-	-

Bonds are payable at Maturity at the end of tenure and are Secured by Mortgage of Flat and charge on loans & Advances.

Assets Side

(₹ in lakh)

S.No.	Particulars	Amount Outstanding
2.	Break-up of Loans and Advances including bills receivables (other than those included in (3)) below:	
a	Secured	102,765.08
b	Unsecured	1.27
3.	Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities	
i	Leased Assets including lease rentals under sundry debtors	
a	Financial Lease	-
b	Operating Lease	-
ii	Stock on hire including hire charges under sundry debtors	
a	Assets on hire	-
b	Repossessed Assets	-
iii	Other loans counting towards AFC activities	
a	Loans where assets have been repossessed	-
b	Loans other than (a) above	-
4.	Break-up of Investments:	
	Current Investments:	
4.1	Quoted:	
i	Shares:	
a	Equity	-
b	Preference	-
ii	Debentures and Bonds	5,879.33
iii	Units of Mutual Funds	-
iv	Government Securities	-
v	Others (please specify)	-
4.2	Unquoted:	
i	Shares:	
a	Equity	-
b	Preference	-
ii	Debentures and Bonds	223.85
iii	Units of Mutual Funds	10,411.96
iv	Government Securities	-
v	Others (please specify)	-

Notes

to the Financial Statements for the year ended 31st March, 2024

NOTE 50.19 SCHEDULE TO THE BALANCE SHEET

(₹ in lakh)

S. No.	Particulars	Amount
7.	Other Information:	
i	Gross Non-Performing Assets	
a	Related parties	-
b	Other than related parties	-
ii	Net Non-Performing Assets	
a	Related parties	-
b	Other than related parties	-
iii	Assets acquired in satisfaction of debt	

Notes:

- a) As defined in Paragraph 2(1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- b) All Accounting Standards and Guidance Notes issued by MCA are applicable including for valuation of investments and other assets as 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 should be disclosed irrespective of whether they are classified as long term or current.

Note 51 Disclosure Required by Reserve Bank of India on Liquidity Risk Under Liquidity Risk Management Framework

51.01. Funding Concentration based on significant counterparty (both deposits and borrowings)

As at 31st March, 2024

(₹ in lakh)

S. No.	Number of Significant Counterparties	Amount	% of Total deposits	% of Total Liabilities
1	12	88,500	-	95.85%

51.02. Top 20 large deposits Nil (Previous year Nil)

51.03. Top 10 Borrowings

As at 31st March, 2024

(₹ in lakh)

S. No.	Name of the Party	Amount	% of Total Borrowings
1	Top 10 Borrowings	88,500.00	100%

51.04. Funding Concentration based on significant instrument/product

As at 31st March, 2024

(₹ in lakh)

S. No.	Name of Significant Instrument / Product	Amount	% of Total Liabilities
1	Rupee Bonds	88,500.00	95.85%

51.05. Stock Ratios:

As at 31st March, 2024

S. No.	Instrument/Product	% of Total Public Funds	% of Total Liabilities	% of Total Assests
1	Commercial papers	0%	0%	0%
2	Rupee Bonds (original maturity of less than one year)	0%	0%	0%
3	Other short term liabilities*	0%	0%	0%

* Short term liabilities include principal portion of all long term liabilities payable within a period of 12 months from balance sheet date.

Notes

to the Financial Statements for the year ended 31st March, 2024

51.06. Institutional set-up for liquidity risk management

The Board of Directors (the Board) is responsible for the overall management of Liquidity Risk. The Board has defined 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 time bucket which is approved by the Board.

Treasury is responsible for managing liquidity under the liquidity risk management framework as approved by the Board. ALCO is responsible for ensuring adherence to the risk tolerance/limits set by the 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. Actual and anticipated cash flows generated are monitored to ensure compliance with limits.

NOTE 52 Disclosures as required by the Master Direction –Monitoring of frauds in NBFCs issued by RBI dated 29th September, 2016 - NONE

NOTE 53 Disclosure Required under COVID19 Regulatory Package - Asset Classification and Provisioning

(₹ in lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Amounts in SMA/overdue categories, where the moratorium/deferment was extended	-	-
Amount where asset classification benefits is extended	-	-
Provision created	-	-
Less: Provisions adjusted during the against slippages	-	-
Residual provisions	-	-

NOTE 54 DISCLOSURE UNDER GUIDANCE NOTE ON IMPLEMENTATION OF INDIAN ACCOUNTING STANDARDS BY NON-BANKING FINANCIAL COMPANIES AND ASSET RECONSTRUCTION COMPANIES

Note 54.01: 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 54.02: 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	118,869.57	290.17	118,579.40	400.59	(110.42)
	Stage 2	10,858.65	367.24	10,491.41	43.49	323.75
Subtotal		129,728.22	657.41	129,070.81	444.07	213.34
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
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	1,968.16	0.46	1,967.70	-	0.46
	Stage 2					
	Stage 3					
Total		131,696.38	657.87	131,038.51	444.07	213.80



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As at 31st March, 2023

(₹ in lakh)

Asset Classification as per RBI Norms (1)	Asset classification as per Ind AS 109 (2)	Gross Carrying Amount as per Ind AS (3)	Loss Allowances (Provisions) as required under Ind AS 109 (4)	Net Carrying Amount (5)=(3)-(4)	Provisions required as per IRACP norms (6)	Difference between Ind AS 109 provisions and IRACP norm (7)=(4)-(6)
Performing Assets						
Standard	Stage 1	95,987.89	270.38	95,717.51	302.65	(32.27)
	Stage 2	2,059.89	60.89	1,999.00	8.24	52.65
Subtotal		98,047.78	331.27	97,716.51	310.89	20.38
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
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	6,301.84	1.45	6,300.39	-	1.45
	Stage 2					
	Stage 3					
Total		104,349.62	332.72	104,016.90	310.89	21.83

Note 55 Disclosure regarding Resolution Framework for COVID-19-related Stress

(₹ in lakh)

Type of Borrower	Number of accounts where resolution plan has been implemented under this window (A)	Exposure to accounts mentioned at (A) before implementation of the plan (B)	Of (B), aggregate amount of debt that was converted into other securities (C)	Additional funding sanctioned, if any, including between invocation of the plan and implementation (D)	Increase in provisions on account of the implementation of the resolution plan (E)
Personal Loans	-	-	-	-	-
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	-	-	-	-	-

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

Notes

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NOTE 56 Disclosure Required by Reserve Bank of India Direction DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19th April, 2022 on Notes to Accounts as per Scale Based Regulations

Note 56.01 Exposures

Note 56.01.1. 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	-	-
1.2	Commercial Real Estate		
	Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	-	-
1.3	Investment in Mortgage Backed Securities (MBS) and other securitised exposures	-	-
i	Residential,		
ii	Commercial Real Estate.		
2	Indirect Exposure		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
	Total Exposure to Real Estate Sector	-	-

Note 56.01.2. 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	-	-
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	-	-
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	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds All exposures to Venture Capital Funds (both registered and unregistered)	-	-
1.9	Financing to stockbrokers for margin trading		
1.10	All exposures to Alternative Investment Funds:		
	(i) Category I		
	(ii) Category II		
	(iii) Category III		
	Total exposure to capital market	-	-



Notes

to the Financial Statements for the year ended 31st March, 2024

NOTE 56 DISCLOSURE REQUIRED BY RESERVE BANK OF INDIA DIRECTION DOR.ACC.REC.NO.20/21.04.018/2022-23 DATED 19TH APRIL, 2022 ON NOTES TO ACCOUNTS AS PER SCALE BASED REGULATIONS

Note 56.01.3 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. Infrastructure	132,092.95	-	-	98,995.95	-	-

Note 56.01.4 Sectoral Exposure

(₹ in lakh)

Particulars	As at	As at
	31 st March, 2024	31 st March, 2023
i) Total amount of intra-group exposures	-	-
ii) Total amount of top 20 intra group exposures	-	-
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	-	-

Note 56.01.5 Unhedged foreign currency exposure - Nil

Notes

to the Financial Statements for the year ended 31st March, 2024

NOTE 56 Disclosure Required by Reserve Bank of India Direction DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19th April, 2022 on Notes to Accounts as per Scale Based Regulations

Note 56.02 Related Party Disclosure

Related Parties/ Items	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Others*		Fellow Subsidiaries		Total	
	31 st March, 2024	31 st March, 2023	31 st March, 2024	31 st March, 2023	31 st March, 2024	31 st March, 2023	31 st March, 2024	31 st March, 2023	31 st March, 2024	31 st March, 2023	31 st March, 2024	31 st March, 2023	31 st March, 2024	31 st March, 2023	31 st March, 2024	31 st March, 2023
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
-Kotak Mahindra Bank Limited																
Borrowings																
A. Outstanding at the year end	24,195.13	-	-	-	-	-	-	-	-	-	-	-	-	-	24,195.13	-
B. Maximum outstanding during the year	24,195.13	48,000.00	-	-	-	-	-	-	-	-	-	-	-	-	24,195.13	48,000.00
Deposits (Inter Corporate Deposit)																
A. Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B. Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits (Term Deposit)																
A. Outstanding at the year end	23.08	5,622.57	-	-	-	-	-	-	-	-	-	-	-	-	23.08	5,622.57
B. Maximum outstanding during the year	11,023.37	20,500.00	-	-	-	-	-	-	-	-	-	-	-	-	11,023.37	20,500.00
Advances																
A. Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B. Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments																
A. Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B. Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of fixed/other assets																
Sale of fixed/other assets																
Interest received (on Fixed Deposits)	16.99	19.73	-	-	-	-	-	-	-	-	-	-	-	-	16.99	19.73
Balance in current account	1,938.92	664.40	-	-	-	-	-	-	-	-	-	-	-	-	1,938.92	664.40
Equity Shares Held by Kotak Mahindra Bank Limited	9,300.00	9,300.00	-	-	-	-	-	-	-	-	-	-	-	-	9,300.00	9,300.00
Preference Shares Held by Kotak Mahindra Bank Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	302.13	357.75	-	-	-	-	-	-	-	-	-	-	-	-	302.13	357.75
Kotak Mahindra Investments Limited																
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Kotak General Insurance Company Limited																
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Kotak Mahindra Life Insurance Company Limited																
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Kotak Securities Ltd																
Equity shares invested by Kotak Securities Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Kotak Alternate Asset Managers Limited (formerly known as Kotak Investment Advisors Limited)																
Equity shares invested by Kotak Alternate Asset Managers Limited (formerly known as Kotak Investment Advisors Limited)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,200.00	6,200.00
Kotak Mahindra Capital Company Ltd																
Equity shares invested by Kotak Mahindra Capital Company Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,200.00	6,200.00
KMP remuneration																
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	99.12	91.98
Total	46,799.62	108,659.58	-	-	-	-	99.12	91.98	-	-	-	-	21,735.99	21,727.09	68,634.73	130,478.65

Notes

to the Financial Statements for the year ended 31st March, 2024

NOTE 56 Disclosure Required by Reserve Bank of India Direction DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19th April, 2022 on Notes to Accounts as per Scale Based Regulations

Note 56.03 Customer Complaints

(₹ in lakh)

Particulars	As at	
	31 st March, 2024	31 st March, 2023
A) Number of complaints pending at beginning of the year	-	-
B) Number of complaints received during the year	-	-
C) Number of complaints disposed during the year	-	-
- Number of complaints rejected by the NBFC	-	-
D) Number of complaints pending at the end of the year	-	-
Maintainable complaints received by the NBFC from Office of Ombudsman		
Number of maintainable complaints received by the NBFC from Office of Ombudsman	-	-
- Number of complaints resolved in favour of the NBFC by Office of Ombudsman	-	-
- Number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
- 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)	-	-

NOTE 57 Disclosure Required by Reserve Bank of India Direction DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19th April, 2022 on Notes to Accounts as per Scale Based Regulations

NOTE 57.01 Details of non-compliance with requirements of Companies Act, 2013 - Nil

NOTE 57.02 Details of penalties and strictures

SEBI LODR Regulations	Quarter/FY	Submission Status	Due Date	Submission date	Date upto which fine is calculated	Delay in days	Fine	TDS deducted	Total fine
60(2)	FY 2023-24	Delayed	05.12.2023	11.12.2023	11.12.2023	6	10,000.00	1,000.00	11,800.00

NOTE 57.03 Breach of Covenant - Nil

NOTE 57.04 Divergence in Asset Classification and Provisioning - Nil

NOTE 58

The company has not transferred and acquired any loans directly to / from any lenders defined in RBI Master Direction on Transfer of Loan Exposure Directions, 2021 (updated as on 28th December, 2023)

NOTE 59

Previous year's figures have been regrouped / reclassified wherever necessary to conform to figures of the current period.

For and on behalf of the Board of Directors of Kotak Infrastructure Debt Fund Limited

For Gokhale and Sathe

Firm Registration Number: 103264W
Chartered Accountants

Rahul Joglekar

Partner
Membership No: 129389

Mumbai
30th April, 2024

Paritosh Kashyap

Director
DIN: 07656300

Veenu Singla

Chief Executive Officer
& Chief Financial Officer

Mumbai
30th April, 2024

Sujata Guhathakurta

Director
DIN: 8099266

Subhadra Atanur

Company Secretary
A52470



Kotak Infrastructure Debt Fund Limited
27BKC, C 27, G Block, Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051
Company Website: www.kidfl.kotak.com
Kotak Mahindra Bank Website: www.kotak.com

CIN: U65910MH1988PLC048450