

MINUTES OF THE THIRTIETH ANNUAL GENERAL MEETING OF KOTAK MAHINDRA BANK LIMITED HELD ON MONDAY, JUNE 29, 2015 AT 11.30 A.M. AT Y.B. CHAVAN AUDITORIUM, CHAVAN CENTRE, GENERAL JAGANNATH BHOSALE MARG, NEXT TO SACHIVALYA GYMKHANA, MUMBAI 400021

PRESENT	Dr. Shankar Acharya	} Chairman
	Mr. Uday Kotak	} Executive Vice-Chairman and Managing Director and Member
	Prof. S. Mahendra Dev	} Directors
	Mr. Prakash Apte	}
	Mr. N. P. Sarda	}
	Mr. Mark Edwin Newman	}
	Ms. Farida Khambata	} Director and Member
	Mr. Dipak Gupta	} Joint Managing Directors and
	Mr. C. Jayaram	} Members
	Ms. Bina Chandarana	} Company Secretary and Member

And 122 Members, present in person or by proxy.

Dr. Shankar Acharya, the Chairman of the Board of Directors of the Bank, presided.

The Chairman announced that as there was a quorum present, the Meeting was in order and welcomed the Members.

The Register of Directors' and Key Managerial Personnel and their Shareholdings under Section 170 of the Companies Act, 2013, ("the Act"), the certificate from the Statutory Auditors of the Bank pursuant to Clause 14 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as repealed by Clause 13 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the proxies and representations under Section 113 of the Act, validly registered with the Bank, along with the Register in which they had been entered, were laid on the table.

The Chairman inquired whether the Notice of the Meeting could be taken as read. The Members present agreed and the Notice was taken as read.

The Chairman then proceeded with the business of the Meeting.

The Chairman informed that effective 1<sup>st</sup> April 2015, ING Vysya Bank Ltd. had merged with Kotak Mahindra Bank Ltd. creating a Rupees Two Lakh Crore institution.



The Chairman stated that the theme for this year's Annual Report – 'Kona Kona Kotak', was aligned to the Bank's brand campaign. It signified the Bank's expanded reach across hundreds of towns and cities of the country. The merged entity – Kotak Mahindra Bank Ltd., had a significant national footprint of 1,250+ branches and 1,900+ ATMs spread across 640 locations, affording it the capacity and means to serve even better. This enhanced capacity gave the means to serve more customers across a wider national footprint and provide a best-in-class, well-diversified products and services portfolio.

He then briefed the members on the broader economic and banking scenario touching upon the following aspects:

- impact of the new government on the Indian economy
- GDP growth
- measures undertaken by the government for improving the fiscal position
- inflationary dynamics – headline CPI inflation, food inflation, WPI inflation
- development in the monetary policy framework
- steps taken by RBI for liquidity management
- economy's current account deficit
- CAD/GDP ratio
- Overall imports and exports
- Balance of Payments

The Chairman was happy to report that the Bank's performance in the year under review was quite good.

Consolidated profit after tax grew by 23.5% to ₹ 3,045 crore. The consolidated earnings per share was ₹39.4 for FY 2015 as against ₹32.1 for 2013-14. The consolidated total income was ₹ 21,471 crore during 2014-15 as against ₹ 17,268 crore in 2013-14. The Group had a net worth of ₹22,153 crore as on 31<sup>st</sup> March 2015. The Group had healthy earning profile and had earned a healthy Return on Average Assets of 2.3% in FY 2015. Post merger, the net worth of the Group was now around ₹30,000 crore.

On standalone basis, Profit before tax of the Bank for FY 2015 was ₹ 2,833 crore as against ₹ 2,273 crore for FY 2014. Profit after tax of the Bank was ₹ 1,866 crore in FY 2015 compared with ₹ 1,503 crore in FY 2014.

The Bank's capitalization levels remained one of the strongest in the industry with overall Capital Adequacy Ratio at 17.2% and Tier I ratio of 16.2% as on 31<sup>st</sup> March 2015.

The deposits of the Bank grew by 27% from ₹ 59,072 crore as on 31<sup>st</sup> March 2014 to ₹ 74,860 crore as on 31<sup>st</sup> March 2015. Current account deposits had grown at a healthy rate of 50.8% to ₹ 13,181 crore from ₹8,741 crore. Savings account deposits increased by 39.1% from ₹10,087 crore to ₹14,036 crore with an average cost of around 5.5%.



The Bank as on 31<sup>st</sup> March 2015 had 684 branches and 1273 ATMs. Post merger, the number of branches had risen to 1261 and the ATM network had increased to 1930 ATMs.

Further, he was happy to mention that in addition to the dividend recommended, the Directors had also recommended an issue of bonus shares in the ratio of 1:1 i.e. one additional equity share for every one equity share held, by capitalizing a part of the reserves, subject to the approval of the shareholders.

He was extremely happy to announce that Mr. Uday Kotak, Executive Vice Chairman and Managing Director won the 'Ernst & Young World Entrepreneur of the Year 2014' award and the Bombay Management Association 'Entrepreneur of the Decade award 2013-14'. He further announced that Mr. Kotak also recognized as 'Banker of the Year 2014' by Businessworld. He emphasized that the E & Y award was a global one, with Mr. Uday Kotak being only the second Indian to win it after Mr. Narayan Murthy some years ago. He also mentioned the various significant awards won by the Bank.

He further stated that the Group's results for the financial year demonstrated the potential for good growth by the Bank despite the context of subdued and uneven global growth. The Group believed that with sound risk management and strong capital adequacy ratio, India of the future offers major opportunities for sustained growth.

The merger of ING Vysya Bank with Kotak Mahindra Bank gave the combined entity over 1260 branches with a good balance of its presence between west, north and south. The combined entity would have significantly wider suite of products. The merger would result in cost and revenue synergies for the combined entity. The combined entity would also have to deal with the many challenges of successful integration and fully exploit the potential synergies. This was the Bank's biggest task in the year ahead.

He then thanked the valuable shareholders, all the regulators, and Central and State Governments, on behalf of the Board of Directors of the Bank, for the continued encouragement, sustained support, timely guidance and generous advice that the Group benefited from.

The Chairman then invited queries and comments from the Members relevant to the Annual Report and Accounts.

He further stated that voting through ballot had been arranged for the shareholders present at the meeting and who had not e-voted and would be taken up later.

The following members of the Bank commented on the operations, accounts, gave suggestions and asked certain queries:

1. Mr. Ratanchand Surana
2. Mr. H.P. Kotwani



3. Mrs. Ashalata Maheshwari
4. Mr. Yusuf Rangwala
5. Mr. Shailesh Mahadevia
6. Mr. Aspi Bhesania
7. Mr. Hariram Chaudhary
8. Mr. V.S. Bapat
9. Mr. Beruz Feramroz
10. Mr. Mihir Manek
11. Mr. Piyush Shah
12. Mr. Michael Martins
13. Mr. Gaurang Ved
14. Mr. Babulal Parekh
15. Mr. N.G. Bhagat
16. Mr. Ronald Fernandes
17. Mr. Adi Nalladaru
18. Mr. Dinesh Bhatia
19. Mr. Vinod Agarwal
20. Mrs. C. E. Mascarenhas
21. Mrs. Shobhana Mehta
22. Mr. Kirti Shah
23. Mr. Kishore Mata

The members commented / enquired on various matters including the following:

1. Relook at the wordings in the notes to accounts clarifying the policy on provision for NPAs.
2. Professional charges.
3. Details of legal expenses.
4. Exposure to capital market.
5. Low rate of dividend.
6. Exposure to Airlines, Power, Steel and Telecom sectors.
7. Investment in MCX. Any nominee director on the Board of MCX?
8. Asset quality post acquisition.
9. Progress of integration.
10. Number of frauds by employees and account holders detected.
11. Record date for Bonus issue.
12. CSR spends break-up.
13. CSR spends to be more.
14. Number of new branches opened in FY 2014-15. Plans for opening new branches in rural and semi urban areas.
15. Number of wilful defaulters.
16. Number of copies of Annual Reports sent by email.
17. Thanked the Bank for Bonus issue.
18. Appreciated Bank for excellent results.
19. Praised Bank for the good presentation of Annual Report.
20. Congratulated the Bank for Awards & Accolades.
21. Group's aspiration over the next 4-5 years.

While the questions were being raised, some shareholders requested the voting through ballot process to be opened up. The Chairman ordered the



voting through ballot process open for the benefit of those shareholders who wanted to vote and leave early. The Company Secretary read out the procedure of voting through ballot and informed the members that Mr. Ashwin Ankhad, Advocate and Managing partner of M/s. Ashwin Ankhad & Associates, was appointed as Scrutinizer to scrutinize the ballot process. The ballot papers were distributed to the Members and the proxies present at the Meeting.

The Chairman also informed the Members that in accordance with the provisions of Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Bank had provided a remote e-voting facility to enable the Members to cast vote electronically on the agenda items specified in the notice of the annual general meeting.

The remote e-voting period had commenced on 25<sup>th</sup> June 2015 and ended on 28<sup>th</sup> June 2015. Mr. Ashwin Ankhad, Advocate and Managing partner of M/s. Ashwin Ankhad & Associates was appointed as scrutinizer to the remote e-voting process.

After all the queries were raised, the Chairman requested the Executive Vice – Chairman and Managing Director to respond to the aforesaid queries/comments of the members.

The Executive Vice – Chairman and Managing Director responded to the queries and comments of the members.

After the last vote through ballot was cast, the Chairman authorized the Whole-time Directors and the Company Secretary of the Bank, severally to declare the combined results of the remote e-voting and the ballot after the results had been verified by the Scrutinizer. He further announced that the combined result of remote e-voting and the ballot would be displayed on the Bank's notice board at its registered office, website of the Bank and on the website of National Securities Depository Limited (NSDL) i.e. service providers of the remote e-voting facility and would also be communicated to the Stock Exchanges.

The Chairman further announced that based on the Scrutinizer's report, the combined result of remote e-voting and ballot would be treated as final. Subject to receipt of sufficient votes, the resolutions related to the following would be deemed to be passed on the date of the Annual General Meeting:

**Ordinary Business:**

1. Adoption of the audited financial statements of the Bank for the year ended 31<sup>st</sup> March 2015 together with the Reports of the Directors and the Auditors thereon. (Ordinary Resolution)



2. Appointment of a director in place of Dr. Shankar Acharya who retires by rotation and being eligible offers himself for reappointment. (Ordinary Resolution)
3. Declaration of dividend on equity shares. (Ordinary Resolution)

**Special Business:**

4. Appointment of M/s. S.R. Batliboi & Co., LLP as auditors of the Bank and fixing their remuneration. (Ordinary Resolution)
5. Appointment of Mr. Mark Edwin Newman as Director of the Bank. (Ordinary Resolution)
6. Re-appointment of Dr. Shankar Acharya as Chairman and approval of payment of remuneration to him. (Ordinary Resolution)
7. Approve borrowing in excess of the paid up capital and free
8. Increase in Authorised Share Capital of the Bank to ₹1500,00,00,000/-. (Ordinary Resolution)
9. Substitution of Clause V of the Memorandum of Association of the Bank. (Special Resolution)
10. Capitalisation of profits and issue of bonus shares in the ratio of 1:1. (Ordinary Resolution)
11. Approve alteration in Articles of Association of the Bank (Special Resolution)
12. Adoption of 'Kotak Mahindra Equity Option Scheme 2015' and authorise the Board to create, issue, offer and allot equity shares, from time to time, to employees of the Bank. (Special Resolution)
13. Adoption of 'Kotak Mahindra Equity Option Scheme 2015' and authorise the Board to create, issue, offer and allot equity shares, from time to time, to employees of the subsidiaries or associate companies of the Bank. (Special Resolution)
14. Adoption of 'Kotak Mahindra Stock Appreciation Rights Scheme 2015' and authorise the Board to grant Stock Appreciation Rights (SARs) to be paid as cash incentive in the form of Appreciation, to employees of the Bank. (Special Resolution)
15. Adoption of 'Kotak Mahindra Stock Appreciation Rights Scheme 2015' and authorise the Board to grant Stock Appreciation Rights (SARs) to be paid as cash incentive in the form of Appreciation, to employees of the subsidiaries or associate companies of the Bank. (Special Resolution)



The Chairman thereafter declared the Meeting to have concluded.

**CHAIRMAN OF THE MEETING**