

Directors' Report

To the Members of

KOTAK MAHINDRA BANK LIMITED

The Directors present their Thirty-third Annual Report together with the audited accounts of your Bank for the year ended 31st March, 2018.

FINANCIAL HIGHLIGHTS

(A) Kotak Mahindra Bank Limited – Consolidated financial highlights:

	31 st March, 2018 ₹ in crore	31 st March, 2017 ₹ in crore
Total income	38,813.31	33,983.77
Total expenditure, excluding provisions and contingencies	28,630.34	25,702.92
Operating Profit	10,182.97	8,280.85
Provisions and contingencies, excluding provision for tax	1,024.74	948.92
Profit before tax	9,158.23	7,331.93
Provision for taxes	3,011.09	2,382.85
Profit after tax	6,147.14	4,949.08
Less: Share of minority interest	56.68	78.83
Add: Share in profit of Associates	110.51	70.18
Consolidated profit for the Group	6,200.97	4,940.43
Earnings per Equity Share:		
Basic (₹)	32.70	26.89
Diluted (₹)	32.66	26.86

(B) Kotak Mahindra Bank Limited – Standalone financial highlights:

	31 st March, 2018 ₹ in crore	31 st March, 2017 ₹ in crore
Total Income	23,800.70	21,176.09
Total expenditure, excluding provisions and contingencies	16,642.53	15,191.28
Operating Profit	7,158.17	5,984.81
Provisions and contingencies, excluding tax provisions	939.95	836.74
Profit before tax	6,218.22	5,148.07
Provision for taxes	2,133.92	1,736.57
Profit after tax	4,084.30	3,411.50
Add: Surplus brought forward from the previous year	10,756.29	8,214.12
Amount available for appropriation	14,840.59	11,625.62
Appropriations:		
Statutory Reserve under Section 17 of the Banking Regulation Act, 1949	1,021.08	852.88
Transfer to / (from) Investment Reserve Account	-	(48.49)
Transfer to Capital Reserve	24.00	10.55
Transfer to Special Reserve	55.00	55.00
Dividend / Proposed Dividend	114.21**	0.07*
Corporate Dividend Tax	21.70**	(0.68)*
Surplus carried to Balance Sheet	13,604.60	10,756.29

* As per the requirements of pre-revised AS 4 – 'Contingencies and Events Occurring after the balance sheet date', the Bank used to create a liability for dividend proposed / declared after the balance sheet date if dividend related to periods covered by the financial statements. As per AS 4 (Revised), with effect from April 2016, the Bank is not required to provide for dividend proposed / declared after the balance sheet date.

** The Bank has paid a dividend at rate of ₹ 0.60 per equity share for the year ended 31st March, 2017, to all shareholders, whose names appear on the Register of members / beneficial holders list on the book closure date i.e. 14th July, 2017. This payout of ₹ 135.91 crore (including dividend distribution tax) has been appropriated from current year's amount available for appropriation.

DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 0.70 per equity share (previous year ₹ 0.60 per equity share) for the year ended 31st March, 2018. This would entail a payout of ₹ 160.07 crore including dividend distribution tax based on the number of shares as at 31st March, 2018. The dividend would be paid to all the shareholders, whose names appear on the Register of members / beneficial holders list on the book closure date.

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Bank have adopted a Dividend Distribution Policy which is in line with the parameters prescribed by SEBI for distribution of dividend. The Policy is available on the Bank's website viz. URL: <https://www.kotak.com/en/investor-relations/governance/policies.html>

CAPITAL

During the year, your Bank has issued and allotted 62,000,000 equity shares of face value of ₹ 5 each at an issue price of ₹ 936 per equity share by way of Qualified Institutions Placement thereby raising ₹ 58,032 million. Your Bank has also allotted 2,750,629 equity shares arising out of the exercise of Employees Stock Options granted to the employees and whole-time directors of your Bank and its subsidiaries.

Post allotment of equity shares as aforesaid, the issued, subscribed and paid-up share capital of the Bank stands at ₹ 9,528,242,530 comprising of 1,905,648,506 equity shares of ₹ 5 each as on 31st March, 2018.

Your Bank has a Capital Adequacy Ratio ('CAR') under Basel III as at 31st March, 2018 of 18.22% with Tier I being 17.56%.

During the year, your Bank has not issued any capital under Tier II. As on 31st March, 2018, outstanding Unsecured, Redeemable Non-Convertible, Subordinated Debt Bonds were ₹ 701.80 crore and outstanding Unsecured, Non-Convertible, Redeemable Debt Capital Instruments Upper Tier II stood at ₹ 225.10 crore.

The Board of Directors of the Bank at its meeting held on 19th May, 2018, subject to the approval of the shareholders and any statutory/regulatory approvals as may be necessary, has approved (i) raising of funds by way of non-convertible debentures/bonds for an amount not exceeding ₹ 5000 crore and by way of non-convertible preference shares for an amount not exceeding ₹ 500 crore and (ii) alteration and increase in the authorized share capital of the Bank and consequent amendment to the Memorandum and Articles of Association of the Bank. Approval of the shareholders in this regard is being sought at the ensuing Annual General Meeting of the Bank.

OPERATIONS

Consumer Banking

Your Bank, services a customer base in excess of 13 million customers covering a wide spectrum across domestic individual and households, non-residents, small and medium business segments for a range of products from basic savings & checking accounts to term deposits, credit cards, unsecured and secured loans, working capital and distribution of investment products.

The Bank continued its strategy of calibrated expansion of its branch network. As of 31st March, 2018 the Bank had 1388 branches and 2199 ATMs, covering 724 locations. Of the 27 new branches commissioned this year, 15 were in metro and 12 were in urban locations. 8 branches related to rural and semi urban locations were closed during the year. Aided partly by 811, your Bank saw fast paced customer acquisition across all core banking products including savings and checking accounts, term deposits, overdrafts and non-resident accounts. Bank has also set up 5 E-Lobbies to enable convenience banking for customers. The Bank also relocated 72 branches across metro and semi urban locations to give easier access and higher convenience to its customers.

Your Bank rolled out several initiatives aimed at offering a superior and differentiated customer experience. Launched in March 2017, the 811 bank account has been a strong savings account acquisition engine for the Bank. The quick, seamless and technology driven on-boarding experience of 811 has been widely appreciated by customers and Industry bodies. In 2018, the Bank launched its Merchant Acquiring business entailing the launch of Point of Sale (POS) terminals and Bharat QR products. Under this business, the Bank has installed 7262 POS terminals and 2160 Bharat QR decals (QR stickers), thereby facilitating 28.4 lakh transactions. Some initiatives around Current Account and Business Banking include launch of a scan based account opening and customer onboarding process which has enabled a sharp reduction in processing time launch of an insta-kit & biometric based Current Account for Individuals. An online instant National Pension System (NPS) account opening for the Bank's customers was also launched thereby achieving a completely paperless process for NPS account opening for individual & corporate customers.

Under the Bank's Non Resident Indian (NRI) Business an online outward remittance platform for NRI customers was enabled thereby facilitating NRI customers to remit money abroad to most of the overseas countries completely online. Engagement with the sea farer community was strengthened further with the Bank tying up with the sea farer community app, 'Offing' and through setting up of exclusive account for the sea farers, which addresses some of their key requirements. The process for providing solutions to NRI customers on their concerns was further simplified. FCNR deposits in Australian Dollar (AUD) was re-introduced to provide NRI clients an additional foreign currency for booking their deposits along with US Dollars, British Pound, EURO & Japanese Yen currencies that the Bank already offered FCNR deposits.

Under the Priority Banking Business, key initiatives includes the launch of a revamped Privy League program (across all 3 tiers viz. Prima, Optima and Insignia) to ensure better customer coverage and service. Now all branches of your Bank can source and manage Privy League customers. Further, to ensure higher levels of customer service, the Bank's existing Relationship Value (RV) construct was simplified and upgrade process between various tiers was made simpler.

Under the Corporate salary business an Aadhaar assisted, biometric based customer on-boarding platform was introduced to reduce customer on-boarding time and significantly enhance customer experience. This roll out helped in reducing the turnaround time for customer onboarding to under 60 minutes. Last year's initiative around Premier Acquisition model helped consolidate the Bank's market share in this segment with 500 new corporates having signed up in this fiscal.

Your Bank has continued to grow the product lines under the Consumer Assets business. It launched 'Superfast Home Loans' for salaried customers – which enables a sanction within four hours, thereby redefining customer experience. Launched in December 2017, these Superfast Home Loans have resulted in a 150% increase in the number of Salaried Home Loan disbursals in Q4 of FY18 as compared to the same period in FY17. The existing online platform for instant loans for salaried & self-employed customers was further strengthened. Salaried Personal Loans sourced through digital channels contributed 32% by value of the total value of Salaried Personal Loans disbursed in Q4FY18. The value of Salaried Personal Loans sourced through digital channels saw an increase of 168% Y-o-Y. Frictionless payment options for credit cards – Contactless Cards for Signature Cards, Samsung Pay and Bharat QR were launched. The total value of transactions routed through your Bank's internet banking payment gateway in March 2018 saw a growth of 76% versus the value routed in March 2017. The business also launched Insta Credit for Working Capital Loans up to ₹ 1 crore thereby enabling instant decision basis various underwriting parameters. Such initiatives, launched under the Bank's overall digital strategy, have facilitated superior growth rates across retail asset product lines.

Your Bank's Home Loans & Loan Against Property business grew by 24% to ₹ 32,429 crore and the Small business, Personal Loans & Credit Cards business grew by 45% to ₹ 25,189 crore depicting a robust growth rate during the year under review.

Commercial Banking

The Commercial Banking business focuses on meeting the banking and financial needs of various customer segments with deeper coverage beyond metro and urban centers through an expanding network of branches and business correspondents. The business has specialized units which offer financial solutions in the areas of commercial vehicles, construction equipment, tractor, small and medium enterprises (SME), gold loans and agriculture business. It services the priority sector through providing finance for tractor, crop loans, small enterprises and allied agricultural activities thereby helping the Bank meet its financial inclusion goal. In line with growing rural incomes, your Bank's Commercial Bank branches have experienced robust growth across product lines on both in savings and lending side. Post completion of integration with ING Vysya Bank, these Commercial Bank branches have stabilized and have started contributing towards your Bank's growth in a significant manner.

Demonetization followed by GST roll-out had a temporary downward impact on the SME industry. However now, with GST stabilizing substantially, we are witnessing green shoots. Growth is returning to the sector. Your Bank's SME portfolio has not been immune from the industry-wide experienced challenges, manifesting in a muted portfolio growth in FY 2018. There have been challenges with regards to stressed accounts as well. Your Bank continues to work pro-actively with the sector to resolve experienced challenges and be a preferred partner in the expected upcoming growth phase.

The Commercial Vehicle (CV), Construction Equipment (CE) and Tractor Finance businesses reported significant growth and continued to gain market share in their respective businesses. The Government spending in the infrastructure sector has led to a strong demand in the CE and CV industry. Good monsoon gave fillip to demand for tractor finance.

The Agriculture Financing business continued its focus on the agriculture value chain funding for various agro processing activities. It has registered good growth despite volatility and uncertainty in the commodities market.

Wholesale Banking

The Wholesale Banking business caters to the diverse needs of a wide range of corporate customer segments including major Indian corporates, conglomerates, financial institutions, public sector undertakings, multinational companies, mid-market companies and realty businesses. The business offers a comprehensive portfolio of products and services to these customers including working capital finance, medium term finance, trade finance, foreign exchange services, other transaction banking services, custody services, debt capital markets and treasury services.

The year has witnessed significant disruptions in the corporate banking space driven by high NPAs in the industry and tightening regulations. With more capital from banks, mutual funds and NBFCs chasing the high rated end of the corporate space, this space is witnessing high competition which in turn is pushing down yields for banks. The overall credit offtake in the economy has also been muted over the last couple of years. Despite these challenges, the Wholesale Banking business has been able to achieve growth in a healthy and profitable manner. Over the years, the Wholesale Banking business has been able to grow its market share and this has been achieved through higher customer acquisition, improved customer service and product innovations.

Your Bank has been as focused on adding new customers as increasing wallet share with existing customers. The last few years have seen a healthy addition of New-to-Bank customers across customer segments, which in turn sets a strong foundation for future growth in the business.

Robust risk management practices are in place and the Bank has achieved growth over the years without compromising the health of the book. At a time when most corporate banks in the industry are facing huge NPAs, your Bank has kept a tight control on asset slippages. This year, the Wholesale Banking division has had to take accelerated provisioning on a few legacy stressed cases due to regulatory changes and this has impacted profitability for the year. However, except for these few legacy cases, there has been very little addition to Gross NPAs from new cases in the last few years. This has been achieved through proactive rebalancing of the portfolio to reflect economic situations and reduction



in exposure to situations with heightened risk. The focus on risk management has helped the business reduce its Risk Weighted Assets (RWA) over the past few years despite an increase in its exposure. The use of Risk Adjusted Return on Capital (RaRoC) pricing models has become ingrained in the way the Wholesale Banking division conducts its business and has helped to optimize pricing, better utilize capital and improve return on equity. Your Bank intends to carry this initiative forward and implement Economic Value Add (EVA) measurement models that will help the Bank monitor the true risk adjusted value being derived from each client. This will ensure greater focus on improving income mix in favour of non-asset income streams.

Integrated Corporate and Investment Banking (CIB) approach of the Bank towards certain top conglomerates and large corporates has helped it to deepen its presence with these clients and gain further market share. The CIB model has ramped up well and it has added more accounts to this CIB model this year. As a testimony to its success under the CIB initiative, it has been awarded the Best Domestic and Investment Bank in India by Asiamoney for the second consecutive year.

The strong momentum in the Integrated Global Transaction Banking Services (GTS) continues across its large suite of products. Current Account & Savings Account balances saw significant growth through innovative solutions and focused marketing efforts and early to launch products such as Smart Collect and Mibor Linked Savings Account. Trade funded book continued to show strong growth and maintained an average of over ₹ 10,000 crore this year. Bank's Cash Management System (CMS) has won a number of awards this year including the Best Cash Management Bank in India by the Asian Banker and Asia Money. The decisive parameter for Cash Management is client satisfaction and the Bank has India's highest net Client Satisfaction Rating of 39.8% as per Asiamoney Cash Management Poll - ahead of all its peers in the public and private sector. A separate drive to launch SmartCollect was set up which improved cash flow management and helped grow the Cash Management business significantly. The strong growth in GTS products has helped the Bank to partly compensate for the fall in spreads in its traditional lending business.

The year has also witnessed significant growth in the Custody business. Your Bank is today one of India's largest domestic Custodians with Assets Under Custody (AUC) upwards of USD 27 billion and is strongly positioned in the India focused offshore funds space. It was earlier the first to extend a Real Time Online Platform for Derivatives Clearing with systems built specifically to cater to Indian capital market needs. This year, the Custody business has also gained significant traction in the Domestic Custody space. The Custody business has won a number of awards this year including being judged as the Category Outperformer – 2017 by the Global Custodian India and Emerging Markets Survey.

The dedicated Service Solutions vertical of the Bank has helped ensure faster customer response and improve customer experience. This vertical is the single point of contact for all service related and documentation issues with personnel present across the country. The Bank has been successful in significantly reducing Turn-Around-Time (TAT) across various processes including account opening and disbursements. Initiatives such as digitization and workflow automation have helped reduce TAT further.

Your Bank continues to target productivity and efficiency improvements by strengthening its organizational platform. This year too, it has implemented a number of initiatives towards this end including a formal exercise of client classification and key account plans. Workflows and Processes were redesigned for Ease of Business. There is greater focus on measuring and improving employee productivity including of its sales force through use of technology and digital tools. Given high focus in this area, costs have been kept well in control further improving profitability of the business.

It has undertaken a series of digital initiatives primarily focused on improving customer experience and positioning oneself as a 'digital-first' organization. These digital initiatives encompass the entire gamut of transaction banking and include initiatives such as the Corporate Mobility Application, Retail Remittances through Earthport, Smart Collect, Direct Debit Online, Two Factor Authentication, GST Compliance Solution and Co-branded cards, to name a few. Furthermore, a few long term initiatives are in early stages of implementation which include an online trade portal, an integrated corporate portal, incorporation of the block chain based technology in foreign and domestic trade products and multiple digital initiatives being undertaken for various Government bodies.

Wealth Management

Wealth Management, your Bank's private banking arm, acts as advisor to a number of distinguished Indian families as one of the oldest and the most respected Indian wealth management firms. Its customers range from entrepreneurs to business families and professionals. The business caters to around 40% of India's top 100 families.

The Family Office service provides a strategic consolidated view on the client's overall portfolio across multiple advisors, in addition to comprehensive financial solutions that go beyond investments. These include value added services such as assistance with Investment Structuring, Banking and Credit, Consolidated Reporting, Referral for Philanthropy Services and Concierge Services. The Trusteeship Services offers Estate Planning services helping clients with succession planning activities through creation of private trusts.

With an in-depth understanding of client requirements and expertise across various asset classes, the business offers the widest range of financial solutions through transaction-based investment approach and asset-advisory based approaches. It has built a formidable suite of products and services for high net worth individuals and offers the same through its Asset-Advisory model.

In addition, your Bank has also built a large Priority Banking business, assisting mass affluent customers with products and solutions developed to meet their financial requirements. The total relationship value across your Bank's Wealth & Priority offerings is in excess of ₹ 225,000 crore.

The business has won several accolades & received recognition at various fora. It was awarded as the Best Private Bank, India at Euromoney Private Banking Survey 2018 and has also been consistently adjudged as the Best Private Bank through FinanceAsia for 7 years in a row.

Your Bank's focus at the Wealth Management in the digital space includes some key initiatives such as the Wealth Smart Solutions app, which allows access to portfolios on the go. This also allows clients to complete their risk profiling, get their ideal asset allocation and also execute investments in Mutual Funds. This initiative of the Bank has the potential to become significantly bigger in the days to come.

International Business

The GIFT City Branch set up by your Bank in May 2016 is its first Branch in an International Financial Services Center Banking Unit (IBU). The GIFT City Branch has helped the Bank to participate in syndication of overseas loans, lending to clients in international markets and providing External Commercial Borrowing (ECB) to eligible Indian corporates.

Asset Reconstruction

India faces a significant challenge on stressed loans. The new Insolvency and Bankruptcy Code aims to provide lenders like your Bank strong tools to aid in faster recovery and in retention of maximum value of the underlying assets in stress cases. The young law is continuously evolving and should see stability in the next few years.

During FY 2017-18, resolution of some large NPA's of the country through the Insolvency and Bankruptcy Code process was seen.

Your Bank is also expecting a sizeable number of resolutions from the earlier acquired portfolios in the coming financial year.

The Division continues to focus on cash flow based last mile financing and acquiring stressed retail assets and expects significant traction. It is geared up to capitalize on any opportunities in the stressed asset space that may arise, as various lenders seek to off-load such stressed assets off their books.

Treasury

Your Bank's treasury actively contributes to your Bank by way of:

- **Proprietary Trading:** The various proprietary trading desks actively trade in products such as Fixed Income, Money Markets, Derivatives, Foreign Exchange and Equity. Primary Dealer Desk – part of the proprietary trading desk, actively participates in the primary auctions of government securities, makes market in government securities and engages in retailing of government securities.
- **Customer Transactions:**
 - o **Forex & Derivatives:** Facilitating access to foreign currency markets through cash & derivatives products and providing fine market rates to clients for remittance and trade transactions.
 - o **Bullion:** Under License from Reserve Bank of India (RBI), Bank imports gold and silver to meet needs of customers. The bullion desk provides efficient working capital solutions to domestic Jewellery manufacturers as per prescribed rules of RBI.
- **Balance Sheet Management:** The Balance Sheet Management Unit (BMU) ensures maintenance of regulatory reserves and adequate liquidity buffers and also manages the Interest rate risk & Liquidity risk within the Risk appetite of the Bank.

Human Resources

FY 2017-18 has been a year of strengthening initiatives in the area of digital initiatives, employee engagement and learning.

With the talent base of the Bank reaching to 35,717 employees more and more millennial being on boarded the average age of the employee base has gone younger by a year at 32 years now. Your Bank has taken various initiatives to engage using digital and technology platforms. It has launched Mobile first app KLAPP for ensuring seamless learning on product and processes for employees. This has helped to ensure learning is not time bound and location bound at the same time employees have access to the information at the time of interaction with customers.

Your Bank has also embarked on the journey to facilitate learning needs for building future skills for mid to senior level employees. With the platform launched for on demand learning and byte size learning has enhanced the horizon for learning from behavioral and functional learning to developing skills for future career needs of the employees.

The focus on performance discussion has been enhanced by bringing in additional rigor on dialogue "Talk2Do" between managers and their teams for constructive performance discussions.

With the objective to identify, build and nurture leaders across levels to deliver superior business results and address individual career aspirations Bank continues to put efforts through various interventions of talent management and succession planning. Robust Talent Management framework has been put in practice for identification of critical roles in the organization and succession planning for these roles.

Technology & Digitization

This year, technologies were leveraged to deliver customer experience and business efficiency.

Customer account opening experience was enhanced by the launch of the "digital native, downloadable" 811 account, which can be opened in 5 minutes. The 811 journey was further enriched, with a paperless credit card opening capability. By leveraging biometric technology, the entire process was made paperless and sales productivity was increased by 60%. Biometric account opening was then extended to corporate salary accounts and for onboarding individual current accounts.



Loan account processing was enriched with the launch of Instant personal loans, Superfast home loans and Instant business loans. For customers who prefer non-digital channels, a "Loan on Phone" capability was provided. A new mobile application was launched to facilitate the sales team's customer interaction for credit card applications.

The Bank's wealth management customers' digital experience was enhanced with the initiation of 'Kotak Smart Solutions' mobile application for portfolio viewing and management. A comprehensive content repository and sharing platform that enables SMS and WhatsApp based information sharing in real time was enabled.

Multiple digital payment methods were introduced for the Bank's customers including Visa Paywave, Samsung Pay, Bharat QR, UPI, BBPS (Bharat Billpayment System), AEPS (Aadhaar Enabled Payment System) and FasTag – enabling more cashless payments and strong commitment to the country's Digital India journey.

In addition to innovation in customer account opening and payments, this year saw a number of new technology foundations being laid down to facilitate state of the art capability for the future.

Modern responsive site technology, content management and website analytics have been implemented to facilitate the launch of a new customer centric web portal. Improved customer experience has been evident, in the 30% increased customer traffic on the website.

A foundation for Natural Language Processing (NLP) was laid down and enabled the launch of 'Keya' the first Artificial Intelligence (AI) powered Voicebot in the banking sector. Developed on a library of millions of phone banking conversations, 'Keya' services customers in English and Hindi and facilitates the resolution of customer queries in a single interaction. 'Keya' will also soon be available on the mobile to enrich the 811 and other customer journeys.

Since "data is the new oil", the ability to manage and analyse data becomes key. Hence, strategic technology initiatives this year were the implementation of an upgraded Enterprise Data Warehouse and a Big Data platform. These platforms facilitate the Bank's ability to use analytics to provide personalized customer experience with improved service and customized offers.

The Bank's ability to collaborate with external merchants, developers and service providers has been enhanced with the implementation of an 'API Manager'. The technology facilitates rapid time to market for integrating in a secure and simplified manner with all entities outside the Bank. The resulting interface to the customer with information and services from third parties and the Bank, provides a holistic, seamless end user experience.

Employees, the internal customers, were also a focus with the launch of a new 'Redscape' intranet, and 'Edcast' a platform to share digital experiences and facilitate employees in their customer interaction. Robotics and biometrics were employed to automate customer service processes to provide faster turnaround times for the customer and improved employee productivity.

As always, cybersecurity and customer data protection were a priority, keeping pace with increased digital interactions with customers. Your Bank is mindful of client data privacy issues and takes full care in preserving this. New security measures were initiated from the customer interface through step up authentication for device authentication, to server protection through deep security measures.

SUBSIDIARIES & ASSOCIATES

As at 31st March, 2018, your Bank has nineteen (19) subsidiaries as listed below:

Domestic Subsidiaries

Kotak Mahindra Prime Limited

Kotak Securities Limited

Kotak Mahindra Capital Company Limited

Kotak Mahindra Life Insurance Company Limited

(formerly known as 'Kotak Mahindra Old Mutual Life Insurance Limited')

Kotak Mahindra Investments Limited

Kotak Mahindra Asset Management Company Limited

Kotak Mahindra Trustee Company Limited

Kotak Investment Advisors Limited

Kotak Mahindra Trusteeship Services Limited

Kotak Infrastructure Debt Fund Limited

Kotak Mahindra Pension Fund Limited

Kotak Mahindra General Insurance Company Limited

IVY Product Intermediaries Limited

BSS Microfinance Limited

International Subsidiaries

Kotak Mahindra (International) Limited
 Kotak Mahindra (UK) Limited
 Kotak Mahindra Inc.
 Kotak Mahindra Financial Services Limited
 Kotak Mahindra Asset Management (Singapore) Pte. Limited

Your Bank in October 2017 completed the acquisition of 26% equity stake of Old Mutual plc in Kotak Mahindra Old Mutual Life Insurance Limited (KLI). Post-acquisition, the Bank along with its subsidiaries holds 100% beneficial interest in KLI. Subsequently, in November 2017, the name of Kotak Mahindra Old Mutual Life Insurance Limited was changed to Kotak Mahindra Life Insurance Company Limited.

Acquisition of BSS Microfinance Private Limited was completed during the year and it is now a wholly owned subsidiary of the Bank. Subsequently, the word 'Private' was deleted and name of the company changed to BSS Microfinance Limited. It has been appointed as Business Correspondent for sourcing micro finance business for Bank.

The key business segments where the subsidiaries operate include investment banking, stock broking, vehicle finance, advisory services, asset management, life insurance and general insurance.

KLI has recorded a growth of 28.4% on the gross premium, mainly coming from Individual renewal premium. KLI has solvency ratio of 3.05 against requirement of 1.50.

Capital Markets saw a significant uptick in primary market activity; accordingly, Kotak Securities Limited and Kotak Mahindra Capital Company Limited have performed well during the year. Kotak Securities Limited has posted its highest ever profits in FY18.

Kotak Mahindra Asset Management Company (KMAMC), is one of the fastest growing Mutual Fund houses & among the top ten Fund Houses by Quarterly Average Asset Under Management (QAAUM) and continues to be the 7th largest Fund House in the country in terms of QAAUM. KMAMC has outperformed strong growth in the mutual funds industry.

Kotak Mahindra Prime Limited and Kotak Mahindra Investments Limited and international subsidiaries have performed well and continue to add to the shareholders value.

The various activities of the subsidiaries and the performance and financial position of the subsidiaries and associates are outlined in the Management Discussion and Analysis section appended to this Report.

The Bank's Policy for determining material subsidiaries is available on the Bank's website viz. URL: <https://www.kotak.com/en/investor-relations/governance/policies.html> in line with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As at 31st March, 2018, your Bank has following four (4) Associate companies:

ACE Derivatives & Commodity Exchange Limited
 Infina Finance Private Limited
 Matrix Business Services India Private Limited
 Phoenix ARC Private Limited

The Annual Report which consists of the financial statements of your Bank on standalone basis as well as consolidated financial statements of the group for the year ended 31st March, 2018, has been sent to all the members of your Bank. Web link of the Annual Report has been sent to all members whose email IDs are registered with the Bank/Depository Participant(s). For members who have not registered their email IDs, physical copies of the Annual Report are sent. It does not contain Annual Reports of your Bank's subsidiary companies. Your Bank will make available full Annual Report (including the Annual Reports of all subsidiaries) either a hard or soft copy depending upon request by any member of your Bank. These Annual Reports will be available on your Bank's website viz. URL: <https://www.kotak.com/en/investor-relations/financial-results/annual-reports.html> and will also be available for inspection by any member at the Registered Office of your Bank.

EMPLOYEE STOCK OPTION & STOCK APPRECIATION RIGHTS SCHEMES

The stock options and the stock appreciation rights granted to the employees of the Bank and its subsidiaries currently operate under the following Schemes:

- Kotak Mahindra Equity Option Scheme 2007
- Kotak Mahindra Equity Option Scheme 2015
- Kotak Mahindra Bank Ltd. (IVBL) Employees Stock Option Scheme 2007
- Kotak Mahindra Bank Ltd. (IVBL) Employees Stock Option Scheme 2010
- Kotak Mahindra Bank Ltd. (IVBL) Employees Stock Option Scheme 2013
- Kotak Mahindra Stock Appreciation Rights Scheme 2015

The disclosures requirements under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, for the aforesaid ESOP & SARs Schemes, in respect of the year ended 31st March, 2018, are disclosed on the Bank's website viz. URL: <https://www.kotak.com/en/investor-relations/financial-results/annual-reports.html>

CORPORATE GOVERNANCE AND BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations), a separate section entitled 'Report on Corporate Governance' has been included in this Annual Report. The Report of Corporate Governance also contains certain disclosures required under the Companies Act, 2013. A Business Responsibility Report containing the requisite details under Regulation 34 of the SEBI LODR Regulations is disclosed on the Bank's website viz. URL: <https://www.kotak.com/en/investor-relations/financial-results/annual-reports.html>

DIRECTORS & KEY MANAGERIAL PERSONNEL

Directors retiring by rotation

Dr. Shankar Acharya (DIN 00033242), Non-Executive Chairman of the Bank, aged 72 years, retires by rotation as a Director at the conclusion of this Annual General Meeting and is not offering himself for re-appointment as he has crossed the age of 70 years.

The Bank does not intend to fill this vacancy at the ensuing Annual General Meeting.

Changes in Directors

The Board of Directors of the Bank at its meeting held on 30th April, 2018, appointed Mr. Prakash Apte, aged 63, as part time Chairman of the Bank post Dr. Acharya's retirement for a period up to 31st December, 2020, subject to regulatory approvals. Mr. Apte is a non-executive Independent Director of the Bank since March 2011. Mr. Apte, B.E. (Mechanical) has considerable experience in agricultural sector. In a career spanning over 36 years, he has extensive experience in various areas of management and business leadership. The details of Mr. Apte are set out in the Corporate Governance Report annexed to this Report.

The Board of Directors of the Bank, at the same meeting, re-designated Mr. Uday Kotak as Managing Director & CEO with effect from 1st May, 2018, in line with good corporate governance practice.

Your Directors place on record their appreciation for the valuable advice and guidance rendered by Dr. Shankar Acharya during his tenure as a Director and part-time Chairman of the Bank. Dr. Acharya has been the director of the Bank since May 2003 and part-time Chairman since July 2006.

Declaration from Independent Directors

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

Board Evaluation

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

The Nomination and Remuneration Committee of the Bank's Board further engaged an external professional services firm to facilitate the self-evaluation process of the Board, its committees, Chairman and individual directors.

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

Based on the assessment of the responses received to the questionnaire from the directors on the annual evaluation of the Board, its Committees, Chairman and the individual Directors, the Board Evaluation Report was placed before the meeting of the Independent Directors for consideration. Similarly, the Board at its meeting assessed the performance of the Independent Directors. The Directors noted that the results of the performance evaluation of the Board & its Committees, Chairman and individual directors were similar to the results of previous year's performance evaluation and the Directors were quite satisfied with the same. Like last year, this year too there had been no observations on the areas of governance where the directors had concern. However, there were a few suggestions for improving the performance of the Board viz. apprising the Board of the latest developments in Information Technology from time to time and the continuing education of the Board from governance prospective.

Key Managerial Personnel (KMPs)

The following officials of the Bank continue to be the "Key Managerial Personnel" pursuant to the provisions of Section 203 of the Companies Act, 2013:

- Mr. Uday Kotak, Managing Director & CEO
- Mr. Dipak Gupta, Joint Managing Director
- Mr. Jaimin Bhatt, President & Group Chief Financial Officer
- Ms. Bina Chandarana, Company Secretary

Appointment & Remuneration of Directors & KMPs

The appointment and remuneration of Directors of the Bank is governed by the provisions of Section 35B of the Banking Regulation Act, 1949. The Nomination and Remuneration Committee of the Bank's Board has formulated criteria for appointment of Senior Management Personnel and the Directors. Based on the criteria set it recommends to the Board the appointment of Directors and Senior Management Personnel. The Committee considers the qualifications, experience, fit & proper status, positive attributes as per the suitability of the role, independent status and various regulatory/statutory requirements as may be required of the candidate before such appointment.

The Reserve Bank of India ('RBI') vide its circular no.DBOD.No.BC.72/29.67.001/2011-12 dated 13th January, 2012 has issued the Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Other Risk Takers of Private Sector Banks on Compensation Policy which *inter alia* cover the following:

- Proper balance between fixed pay and variable pay;
- Variable pay not to exceed 70% (Seventy Per Cent) of the fixed pay in a year;

In accordance with the aforesaid RBI Circular, the Board of the Bank has adopted a Compensation Policy for its Whole-time Directors, Chief Executive Officer of the Bank and other employees which includes issue of stock appreciation rights as a form of variable pay, linked to the Bank's stock price, payable over a period of time. The salient features of the Compensation Policy are as follows:

- Objective is to maintain fair, consistent and equitable compensation practices in alignment with Kotak's core values and strategic business goals.
- Applicable to all employees of the Bank. Employees classified into 3 groups:
 - o Whole-time Directors/Chief Executive Officer
 - o Risk Control and Compliance Staff
 - o Other categories of Staff
- Compensation structure broadly divided into Fixed, Variable and ESOPs
 - o Fixed Pay – Total cost to the Company i.e. Salary, Retirals and Other Benefits
 - o Variable Pay – Linked to assessment of performance and potential based on Balanced Key Result Areas (KRAs), Standards of Performance and achievement of targets with overall linkage to Bank budgets and business objectives. The main form of incentive compensation includes – Cash, Deferred Cash/Incentive Plan and Stock Appreciation Rights.
 - o ESOPs – Granted on a discretionary basis to employee based on their performance and potential with the objective of retaining the employee.
- Compensation Composition – The ratio of Variable Pay to Fixed Pay and the ratio of Cash v/s Non Cash within Variable pay outlined for each category of employee classification.
- Any variation in the Policy to be with approval of the Nomination & Remuneration Committee.
- Malus and Clawback clauses applicable on Deferred Variable Pay.
- Ensuring no personal hedging strategies by employees which undermine risk alignment effects as part of their remuneration.

The details of the remuneration paid to the Non-Executive Chairman, Executive and Non-Executive Directors of the Bank for the year ended 31st March, 2018 is provided in the Corporate Governance Report annexed to this Report.

The Non-Executive Chairman of the Bank receives a fixed amount of remuneration as recommended by the Board and approved by the shareholders of the Bank and RBI, from time to time. He also receives remuneration by way of sitting fees for attending meetings of the Board or Committees thereof.

RBI vide its circular no. DBR.No.BC.97/29.67.001/2014-15 dated 1st June, 2015 has issued guidelines on payment of compensation to the Non-Executive Directors (NEDs) of private sector banks which *inter-alia* specifies the following:

- The Board of Directors of the Bank (in consultation with the Nomination & Remuneration Committee) needs to formulate and adopt a comprehensive compensation policy for NEDs (other than part-time non-executive Chairman).
- Maximum amount of profit related commission not to exceed ₹ 10 lakh per annum for each director of the Bank.

Accordingly, in line with the aforesaid RBI circular and pursuant to the relevant provisions of the Companies Act, 2013, the Board of the Bank has adopted a compensation policy for the NEDs (excluding the part-time Non-Executive Chairman). The salient features of the Compensation Policy are as follows:

- Compensation structure broadly divided into
 - o Sitting fees
 - o Re-imbursment of expenses
 - o Commission (profit based)
- Amount of sitting fees and commission to be decided by the Board from time to time, subject to the regulatory limits
- Overall cap on commission for each director ₹ 10 lakh per annum
- NEDs not eligible for any stock options of the Bank

Remuneration paid to the KMPs is in line with the Compensation Policy of the Bank which is based on the RBI Guidelines.

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:

Directors	Title	Ratio
Mr. Uday Kotak	Managing Director & CEO	48.44x
Mr. Dipak Gupta	Joint Managing Director	47.50x
Dr. Shankar Acharya	Non-Executive Chairman	4.96x

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

Directors/KMP	Title	% increase in remuneration	% increase in remuneration excluding SARs
Mr. Uday Kotak	Managing Director & CEO	11.03	11.03
Mr. Dipak Gupta	Joint Managing Director	10.00	10.00
Dr. Shankar Acharya	Non-Executive Chairman	8.03	8.03
Mr. Jaimin Bhatt	Group CFO	8.11	9.62
Ms. Bina Chandarana	Company Secretary	2.48	3.69

3. Percentage increase in the median remuneration of employees in the financial year:

For employees who were in employment for the whole of FY 2016-17 and FY 2017-18 increase in the median remuneration is 8.53%.

4. Number of permanent employees on the rolls of Bank at the end of the year: 35,717

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:

For employees other than managerial personnel who were in employment for the whole of FY 2016-17 and FY 2017-18 the average increase is 6.56% and 5.77% excluding SARs.

Average increase for managerial personnel is 8.86% and 9.57% excluding SARs.

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

The Bank is in compliance with its Compensation Policy.

Notes:

- 1) Remuneration includes Fixed pay + Variable paid during the year + perquisite value as calculated under the Income Tax Act, 1961. Remuneration does not include value of Stock Options.
- 2) 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 Bank's stock on specified value dates. Cash paid out during the year is included for the purposes of remuneration.
- 3) The Non-Executive Directors of the Bank, other than Non-Executive Chairman receive remuneration in the form of sitting fees for attending the Board/Committee meetings and in the form of an annual profit based commission. The Non-Executive Chairman gets sitting fees for attending meetings and gets a remuneration approved by the shareholders and RBI.

SECRETARIAL AUDITOR

Pursuant to Section 204 of the Companies Act, 2013, your Bank has appointed Ms. Rupal D. Jhaveri, a Company Secretary in Practice, as its Secretarial Auditor. The Secretarial Audit Report for the financial year ended 31st March, 2018 is annexed to this Report. Your Bank 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 2017-18.

DEPOSITS

Being a banking company, the disclosures required as per Rule 8(5)(v) & (vi) of the Companies (Accounts) Rules, 2014, read with Section 73 and 74 of the Companies Act, 2013 are not applicable to your Bank.

AUDITORS

In terms of Section 139 of the Companies Act, 2013, Messrs S.R. Batliboi & Co. LLP, Chartered Accountants, were appointed as statutory auditors of your Bank for a period of four years from the conclusion of the Thirtieth Annual General Meeting until the conclusion of the Thirty fourth Annual General Meeting of the Bank, subject to the annual approval of RBI and ratification by the members every year. However, pursuant to Section 40 of the Companies (Amendment) Act, 2017 (i.e. Section 139 of the Companies Act, 2013) which was notified with effect from 7th May, 2018, ratification of the appointment of the statutory auditors by the members at every annual general meeting is no longer required. Accordingly, ratification resolution is not being taken up at the ensuing Annual General Meeting of the Bank. The Bank has already received the approval of the Reserve Bank of India for Messrs S.R. Batliboi & Co. LLP, Chartered Accountants to continue as auditors for the year 2018-19.

INTERNAL FINANCIAL CONTROLS

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

IMPLEMENTATION OF IND AS

The Ministry of Finance, Government of India has vide its press release dated 18th January, 2016 outlined the roadmap for implementation of International Financial Reporting Standards (IFRS) converged Indian Accounting Standards (Ind AS) for Scheduled commercial bank (excluding RRBs), Non-banking Financial Companies and Insurance companies. Reserve Bank of India (RBI) has advised Banks vide RBI/2015-16/315DBR.BPBC.No.76/21.07.001/2015-16 to follow the Ind AS from 1st April, 2018 as notified under the Companies (Indian Accounting Standards) Rules, 2015 subject to any guideline/direction issued in this regard.

RBI through its first monetary policy statement for FY 2018-19 on 5th April, 2018, deferred Ind AS implementation for the Scheduled commercial bank (excluding RRBs) by one year i.e. the implementation of Ind AS will begin from 1st April, 2019 onwards.

As per RBI directions, your Bank has taken following steps so far:

- Submitted Standalone Proforma Ind AS financial statements to the RBI for the half-year ended 30th September, 2016 in FY 2016-17 and quarter ended 30th June, 2017 in FY 2017-18, as required.
- Formed Steering Committee for Ind AS implementation. The Steering Committee comprises of representatives from Finance, Risk, Operations and Treasury. The Committee oversees the progress of Ind AS implementation in the Bank, and provides guidance on critical aspects of the implementation such as Ind AS technical requirements, systems and processes, business impact, people and project management. The Committee closely reviews progress of Ind AS implementation.
- The Bank has identified gaps in IT Systems and the changes required to automate Ind AS. The Bank is in advanced stages for Ind AS implementation.

The Bank will continue to liaise with RBI and industry bodies on various aspects pertaining to Ind AS implementation.

RELATED PARTY TRANSACTIONS

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

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

All Related Party Transactions are placed before the Audit Committee for its review and approval on a quarterly basis. Further, an omnibus approval of the Audit Committee is obtained for the Related Party Transactions which are repetitive in nature and the management appraises the Audit Committee of such transactions every quarter.

All Related Party Transactions as required under Accounting Standards AS-18 are reported in Note 25 of Schedule 17 – Notes to Accounts of the Consolidated financial statements and Note 7 of Schedule 18 B – Notes to Accounts of the Standalone financial statements of your Bank.

The Bank's Policy on dealing with Related Party Transactions is available on the Bank's website viz.

URL: <https://www.kotak.com/en/investor-relations/governance/policies.html>

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to Section 186(11) of the Companies Act, 2013, loans made, guarantees given, securities provided or acquisition of securities by a banking company in the ordinary course of its business are exempted from the disclosure requirement under Section 134(3)(g) of the Companies Act, 2013.

WHISTLE BLOWER POLICY / VIGIL MECHANISM

Your Bank is committed to its "Vision Statement" of upholding its Global Indian Financial Services Brand creating an ethos of trust across all constituents, developing a culture of empowerment and a spirit of enterprise thereby becoming the most preferred employer in the financial services sector.

Consistent with the Vision Statement, your Bank is committed to maintain and provide to all its employees and directors highest standards of transparency, probity and accountability. The Kotak Group endeavours to develop a culture where it is safe and acceptable for all employees and directors to raise / voice genuine concerns in good faith, and in a responsible as well as effective manner.

A vigil mechanism has been implemented through the adoption of Whistleblower Policy with an objective to enable any employee or director or vendor, raise genuine concern or report evidence of activity by the Bank or its employee or director or vendor that may constitute: Instances of corporate fraud; unethical business conduct; a violation of Central or State laws, rules, regulations and/or any other regulatory or judicial directives; any unlawful act, whether criminal or civil; malpractice; serious irregularities; impropriety, abuse or wrong doing; deliberate breaches and non-compliance with the Bank's policies; questionable accounting/audit matters/financial malpractice. The concerns can be reported on the website viz. URL: <https://cwiportal.com/kotak>.

Currently an online mechanism enabling aforementioned reporting has been implemented over and above other modes of communication like e-mail, or a letter sent by mail, courier or fax to designated persons.

Safeguards to avoid discrimination, retaliation, or harassment, and confidentiality have been incorporated in the policy. All employees and directors have access to the Chairman of the Audit Committee in appropriate and exception circumstances. Further, the Chairman of the Audit Committee has access rights to the whistle blower portal.

The Policy has been uploaded on the Bank's intranet as well as website viz. URL: <https://www.kotak.com/en/investor-relations/governance/policies.html> and regular communication is made for sustained awareness.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Bank has constituted a Board Corporate Social Responsibility Committee (CSR Committee). The CSR Committee presently consists of Mr. C. Jayaram, Mr. Dipak Gupta and Prof. S. Mahendra Dev.

Your Bank's CSR Committee drives the CSR programme of the Bank. Your Bank has a Board approved CSR policy, charting out its CSR approach. This policy articulates the Bank's aim to positively contribute towards economic, environmental and social well-being of communities through its CSR interventions. The core CSR focus areas outlined are:

- Education
- Vocational skills and livelihood
- Preventive healthcare and sanitation
- Reducing inequalities faced by socially and economically backward groups
- Sustainable development
- Relief and rehabilitation
- Clean India
- Sports

The Bank's CSR Policy is available on the Bank's website: <https://www.kotak.com/en/about-us/corporate-responsibility.html>

Pursuant to the provisions of Section 135, Schedule VII of the Companies Act, 2013 (the Act), read with the Companies (Corporate Social Responsibility) Rules, 2014 the report of the expenditure on CSR by the Bank is as under:

The average net profit U/S 198 of the Bank for the last three financial years preceding 31st March, 2018 is ₹ 3,698.45 crore.

The prescribed CSR expenditure required U/S 135, of the Act for FY 2017-18 is ₹ 7,397 lakh.

The CSR expenditure incurred from 1st April, 2017 to 31st March, 2018 under Section 135 of Companies Act, 2013 amounts to ₹ 2,640 lakh as against ₹ 1,733 lakh CSR expenditure in FY 2016-17. The unspent amount for FY 2017-18 is ₹ 4,757 lakh.

CSR expenditure of ₹ 2,640 lakh in FY 2017-18 as a percentage of average net profit U/S 198 of the Bank at ₹ 3,698.45 crore is 0.71%.

The Bank's budget in CSR focussed sectors and programmes are approved by the Board CSR Committee and the Board. The bank's CSR budget is guided by the vision of creating long-term benefits for the society. The Bank has been building its CSR capabilities on a sustainable basis and is committed to gradually increasing its CSR spending in the coming year for its long-term projects. The Bank identifies suitable NGO partners for carrying out its CSR programmes. It undertakes CSR programmes that are scalable, sustainable and have the potential to be replicated across locations and create a sustainable and measurable impact in communities. Most of the CSR programmes undertaken are in education, healthcare, livelihood and environmental sustainability. The Bank's CSR footprint has been consistently increasing over the years. The Bank is committed to stepping-up its CSR programmes and expenditure in the years ahead. In FY 2016-17, the Bank's expenditure was ₹ 1,733 lakh and in FY 2015-16 it was ₹ 1,641 lakh. In FY 2017-18, the CSR expenditure was ₹ 2,640 lakh. Your Bank does not consider "administrative overheads" as a part of its CSR spends.

The details of CSR activities and spends under Section 135 of the Companies Act, 2013 for FY 2017-18, are annexed to this report.

RISK MANAGEMENT POLICY

Your Bank has in place a comprehensive Group Enterprise wide Risk Management (ERM) framework supported by detailed policies and processes for management of Credit Risk, Market Risk, Liquidity Risk, Operational Risk and various other Risks. Details of identification, assessment, mitigations, monitoring and the management of these Risks are mentioned in the Management Discussion and Analysis section appended to this Report.

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

The provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are not applicable to your Bank.

EMPLOYEES

The employee strength of your Bank, standalone, was over 35,500 and along with its subsidiaries was over 50,000 as of 31st March, 2018.

121 employees employed throughout the year and 62 employees employed for part of the year were in receipt of remuneration of ₹ 1.02 crore or more per annum.

Culture and values drive have been enhanced through various interactions and employee communication platforms in the organization. Your Bank continued to reiterate this through cross functional meets conducted by senior business leaders for employees at mid management level under the "Meet 5" initiative.

Your Bank has continued on the Gender Diversity agenda.

- A differentiated talent acquisition strategy to increase women employee base across various suitable roles has helped us to continue adding 22% women amongst all new hires in the Bank. While continuing with our philosophy of providing equal opportunities, an aggressive push in this area will help us achieve a better balance in gender diversity.
- Prevention of Sexual Harassment (POSH): Bank continues with the belief on zero tolerance towards sexual harassment at workplace and continues to uphold and maintain itself as a safe and non-discriminatory organization. To achieve the same Kotak reinforces the understanding and awareness of Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Bank has formulated Internal Complaints Committee (ICC) at three regions for reporting any untoward instance. Any complaints pertaining to sexual harassment are diligently reviewed and investigated and treated with great sensitivity. The ICC members have been trained in handling and resolving complaints and have also designed an online e-learning POSH Awareness module which covers the larger employee base.

Following is a summary of sexual harassment complaints received and disposed off during the year 2017-18:

o No. of complaints received	:	34
o No. of complaints disposed off *	:	27

* Includes 7 pending cases pertaining to FY 2016-17. In the case of balance 14 pending cases, enquiries were in progress at the close of the year of which 9 have been closed subsequently.

As Bank enters in its next phase of growth and expansion of footprint across urban and rural India, Bank and its subsidiaries continued to carry out several initiatives to attract and retain a pool of highly skilled and motivated employees who are aligned to the firm's vision of becoming the most trusted financial services provider.

In accordance with the provisions of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the names and other particulars of the employees are set out in the annexure to the Directors' Report. In terms of the Proviso to Section 136(1) of the Companies Act, 2013, the Directors' Report is being sent to all shareholders excluding the aforesaid annexure. The annexure is available for inspection at the Registered Office of your Bank. Any shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of your Bank.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) your Bank has, in the preparation of the annual accounts for the year ended 31st March, 2018, followed the applicable accounting standards along with proper explanations relating to material departures, if any;
- (ii) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Bank as at 31st March, 2018 and of the profit of your Bank for the financial year ended 31st March, 2018;
- (iii) they have taken proper and sufficient care to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Bank and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Bank and that such internal financial controls are adequate and are operating effectively; and
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ANNEXURES

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

- Extract of Annual Return under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12 (1) of Companies (Management & Administration) Rules, 2014.
- Secretarial Audit Report pursuant to Section 204 of the Companies Act, 2013.
- Details of CSR activities and spends under Section 135 of the Companies Act, 2013.
- Certificate from the auditors regarding compliance of conditions of corporate governance as stipulated in para E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ACKNOWLEDGEMENTS

Your Directors would like to place on record their gratitude for the valuable guidance and support received from the Reserve Bank of India, Securities and Exchange Board of India, Insurance Regulatory and Development Authority and other Government and Regulatory agencies. Your Directors acknowledge the support of the members and also wish to place on record their appreciation of employees for their commendable efforts, teamwork and professionalism.

For and on behalf of the Board of Directors

Dr. Shankar Acharya
Chairman

Place: Mumbai
Date: 19th May, 2018

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON 31st MARCH, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	L65110MH1985PLC038137
ii)	Registration Date	21 st November, 1985
iii)	Name of the Company	Kotak Mahindra Bank Ltd.
iv)	Category / Sub-Category of the Company	Banking Company
v)	Address of the Registered office and contact details	27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051 Tel No. : (022) 61660001 Fax No.: (022) 67132403
vi)	Whether listed company Yes / No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad - 500032, Tel : +91 (040) 67161559

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. no.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Monetary intermediation of commercial banks, saving banks. postal savings bank and discount Houses	64191	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. no.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held *	Applicable Section
Domestic Subsidiaries					
1	Kotak Mahindra Prime Limited 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051	U67200MH1996PLC097730	Subsidiary	100.00	2(87)
2	Kotak Securities Limited 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051	U99999MH1994PLC134051	Subsidiary	100.00	2(87)
3	Kotak Mahindra Capital Company Limited 27BKC, Plot No. C-27, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051	U67120MH1995PLC134050	Subsidiary	100.00	2(87)

Sl. no.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held *	Applicable Section
4	Kotak Mahindra Life Insurance Company Limited (formerly known as 'Kotak Mahindra Old Mutual Life Insurance Limited') 2 nd Floor, Plot # C- 12, G- Block, BKC, Bandra (E), Mumbai - 400051	U66030MH2000PLC128503	Subsidiary	100.00	2(87)
5	Kotak Mahindra Investments Limited 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051	U65900MH1988PLC047986	Subsidiary	100.00	2(87)
6	Kotak Mahindra Asset Management Company Limited 27BKC, C-27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051	U65991MH1994PLC080009	Subsidiary	100.00	2(87)
7	Kotak Mahindra Trustee Company Limited 27BKC, C-27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051	U65990MH1995PLC090279	Subsidiary	100.00	2(87)
8	Kotak Investment Advisors Limited 27 BKC, 7 th Floor, Plot No. C-27, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051	U65990MH1994PLC077472	Subsidiary	100.00	2(87)
9	Kotak Mahindra Trusteeship Services Limited 27 BKC, 6 th Floor, Plot No. C-27, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051	U65991MH2000PLC125008	Subsidiary	100.00	2(87)
10	Kotak Infrastructure Debt Fund Limited 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051	U65910MH1988PLC048450	Subsidiary	100.00	2(87)
11	Kotak Mahindra Pension Fund Limited 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051	U67200MH2009PLC191144	Subsidiary	100.00	2(87)
12	Kotak Mahindra General Insurance Company Limited 27 BKC, C27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051	U66000MH2014PLC260291	Subsidiary	100.00	2(87)
13	IVY Product Intermediaries Limited 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051	U85110MH1987PLC294572	Subsidiary	100.00	2(87)
14	BSS Microfinance Limited No.11, 2 nd Block, 2 nd Stage, Outer Ring Road, Near BDA Complex, Nagarabhavi Layout, Bangalore – 560072	U74899KA1994PLC049746	Subsidiary	100.00	2(87)

Sl. no.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held *	Applicable Section
International Subsidiaries					
15	Kotak Mahindra (International) Limited Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius	-	Subsidiary	100.00	2(87)
16	Kotak Mahindra (UK) Limited 55 Baker Street, London, W1U 7EU, UK	-	Subsidiary	100.00	2(87)
17	Kotak Mahindra Inc 251 Little Falls Drive, New Castle County Wilmington, DE 19808 USA	-	Subsidiary	100.00	2(87)
18	Kotak Mahindra Financial Services Limited 7 th Floor, 703, Office Tower – 2, Al Fattan Currency House, Dubai International Financial Centre, PO Box 16498, Dubai	-	Subsidiary	100.00	2(87)
19	Kotak Mahindra Asset Management (Singapore) Pte. Limited 16, Raffles Quay, #35-02, Hong Leong Building, Singapore – 048581	-	Subsidiary	100.00	2(87)
Associate Companies					
20	ACE Derivatives & Commodity Exchange Limited Kotak Securities, 1 st Floor, Popular House, Ashram Road, Navrangpura, Ahmedabad- 380009.	U67100GJ1956PLC000597	Associate	40.00	2(6)
21	Infina Finance Private Limited 7 th Floor, Dani Corporate Park, 158, C.S.T. Road, Kalina Santacruz (E), Mumbai - 400098.	U67120MH1996PTC098584	Associate	49.99	2(6)
22	Matrix Business Services India Private Limited Shree Mahamadhi Towers, New No 17, Arulambal Street, T Nagar, Chennai - 600017	U74140TN2003PTC051482	Associate	19.77	2(6)
23	Phoenix ARC Private Limited 5 th Floor, Dani Corporate Park, 158, CST Road, Kalina, Santacruz (E), Mumbai - 400098	U67190MH2007PTC168303	Associate	49.90	2(6)

* Direct and indirect holdings

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	73,149,646	9,977,614	83,127,260	4.52	74,826,735	7,162,651	81,989,386	4.30	-0.21
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	107,501,305	150,000	107,651,305	5.85	101,598,805	150,000	101,748,805	5.34	-0.51
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	2,980,814	1,866,184	4,846,998	0.26	3,014,992	1,215,448	4,230,440	0.22	-0.04
Non Resident Indians Non-Repatriable	2,577,568	-	2,577,568	0.14	2,757,697	-	2,757,697	0.14	0.00
Overseas Bodies Corporate	8,716,960	400	8,717,360	0.47	8,406,960	-	8,406,960	0.44	-0.03
Foreign Bank	32,800,000	-	32,800,000	1.78	32,800,000	-	32,800,000	1.72	-0.06
Foreign Bodies	97,166,170	-	97,166,170	5.28	97,166,170	-	97,166,170	5.10	-0.18
Foreign Bodies-DR	173,600	-	173,600	0.01	34,400	-	34,400	0.00	-0.01
Trust	8,613,405	-	8,613,405	0.47	10,253,369	-	10,253,369	0.54	0.07
HUF	2,573,785	14	2,573,799	0.14	1,996,686	14	1,996,700	0.10	-0.04
IEPF	-	-	-	0.00	2,452,525	-	2,452,525	0.13	0.13
Clearing Members	2,966,457	-	2,966,457	0.16	3,628,987	-	3,628,987	0.19	0.03
NBFC	387,794	-	387,794	0.02	1,273,379	-	1,273,379	0.07	0.05
Foreign National	1,650	-	1,650	0.00	1,450	-	1,450	0.00	0.00
Sub-total(B)(2):-	383,832,330	12,118,246	395,950,576	21.51	399,609,112	8,590,125	408,199,237	21.42	-0.09
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1,238,055,273	12,249,920	1,250,305,193	67.92	1,324,531,749	8,650,793	1,333,182,542	69.96	2.04
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,828,647,957	12,249,920	1,840,897,877	100.00	1,896,997,713	8,650,793	1,905,648,506	100.00	

Note:

The increase in Equity Share Capital during FY 2017-18 is on account of allotment of equity shares under the various ESOP Schemes of the Bank and QIP issue during May 2017.

(ii) Shareholding of Promoters

Sl no.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Uday Suresh Kotak	584,927,100	31.77	0.00	566,927,100	29.75	0.00	-2.02
2	Kotak Trustee Company Pvt. Ltd. Beneficial Owner Mr. Uday S Kotak	624,556	0.03	0.00	624,556	0.03	0.00	0.00
3	Indira Suresh Kotak	2,426,720	0.13	0.00	2,300,000	0.12	0.00	-0.01
4	Pallavi Kotak	1,111,580	0.06	0.00	1,111,580	0.06	0.00	0.00

Sl no.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
5	Dinkarrai Kalidas Desai	793,508	0.04	0.00	793,508	0.04	0.00	0.00
6	Kusum Dinkarrai Desai	298,260	0.02	0.00	298,260	0.02	0.00	0.00
7	Suresh Amritlal Kotak	200,000	0.01	0.00	200,000	0.01	0.00	0.00
8	Suresh A Kotak (HUF)	110,000	0.01	0.00	110,000	0.01	0.00	0.00
9	Aarti Neal Chandaria	57,360	0.00	0.00	57,360	0.00	0.00	0.00
10	Janak Dinkarrai Desai	43,600	0.00	0.00	43,600	0.00	0.00	0.00
	Total	590,592,684	32.08	0.00	572,465,964	30.04	0.00	-2.04

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. no.	No. of shares	% of total shares of the company	Cumulative Shareholding during the year			
			No. of shares	% of total shares of the company		
	At the beginning of the year	590,592,684	32.08	590,592,684	32.08	
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):					
1	Uday Suresh Kotak	Sale 26 th May, 2017	-18,000,000	-2.04	572,592,684	30.04
2	Indira Suresh Kotak	Sale 2 nd June, 2017	-126,720	-0.00	572,465,964	30.04
	At the End of the year			572,465,964	30.04	

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the year		Increase/Decrease in Shareholding during the year			Date of change	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares - Decrease	No. of shares - Increase	Reason		No. of shares	% of total shares of the company
1	Canada Pension Plan Investment Board - Managed By IM2	115,163,850	6.26	-	-		31/03/2017	115,163,850	6.26
				-	-		31/03/2018	115,163,850	6.04
2	Europacific Growth Fund	91,595,214	4.98	-	-		31/03/2017	91,595,214	4.98
				-	272,095	Market Purchase	19/05/2017	91,867,309	4.82
				-	713,937	QIP Allotment	19/05/2017	92,581,246	4.86
				-	697,535	Market Purchase	26/05/2017	93,278,781	4.90
				-	442,465	Market Purchase	02/06/2017	93,721,246	4.92
				-	440,000	Market Purchase	06/10/2017	94,161,246	4.95
				-	-		31/03/2018	94,161,246	4.94
3	ING Mauritius Investments I	71,199,178	3.87	-	-		31/03/2017	71,199,178	3.87
							31/03/2018	71,199,178	3.74

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the year		Increase/Decrease in Shareholding during the year			Date of change	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares - Decrease	No. of shares - Increase	Reason		No. of shares	% of total shares of the company
4	Oppenheimer Developing Markets Fund	27,179,627	1.48	-	-		31/03/2017	27,179,627	1.48
				-	962,261	Market Purchase	15/09/2017	28,141,888	1.48
				-	1,438,390	Market Purchase	22/09/2017	29,580,278	1.55
				-	1,026,701	Market Purchase	17/11/2017	30,606,979	1.61
				-	508,196	Market Purchase	24/11/2017	31,115,175	1.63
				-	993,505	Market Purchase	08/12/2017	32,108,680	1.69
				-	995,368	Market Purchase	15/12/2017	33,104,048	1.74
				-	897	Market Purchase	22/12/2017	33,104,945	1.74
				-	2,591,815	Market Purchase	19/01/2018	35,696,760	1.87
				-	3,211,143	Market Purchase	26/01/2018	38,907,903	2.04
				-	3,481,981	Market Purchase	02/02/2018	42,389,884	2.23
				-	2,472,346	Market Purchase	09/02/2018	44,862,230	2.36
				-	1,494,464	Market Purchase	16/02/2018	46,356,694	2.43
5	Sumitomo Mitsui Banking Corporation	32,800,000	1.78	-	-		31/03/2017	32,800,000	1.78
				-	-		31/03/2018	32,800,000	1.72
6	SBI Mutual Funds	20,106,441	1.09	-	-		31/03/2017	20,106,441	1.09
				-	599,534	Market Purchase	07/04/2017	20,705,975	1.13
				-	230,617	Market Purchase	14/04/2017	20,936,592	1.14
				-	427,368	Market Purchase	21/04/2017	21,363,960	1.18
				-	41,987	Market Purchase	28/04/2017	21,405,947	1.16
				-	154,257	Market Purchase	05/05/2017	21,560,204	1.17
				4,437	-	Market sale	12/05/2017	21,555,767	1.17
				-	1,240,446	Market Purchase	19/05/2017	22,796,213	1.21
				-	124,125	Market Purchase	26/05/2017	22,920,338	1.21
				-	341,836	Market Purchase	02/06/2017	23,262,174	1.22
				-	171,577	Market Purchase	09/06/2017	23,433,751	1.23
				-	134,356	Market Purchase	16/06/2017	23,568,107	1.24
				-	2,276,082	Market Purchase	23/06/2017	25,844,189	1.36
				-	306,552	Market Purchase	30/06/2017	26,150,741	1.37
				-	250,071	Market Purchase	07/07/2017	26,400,812	1.39
		-	62,087	Market Purchase	14/07/2017	26,462,899	1.39		
		-	160,278	Market Purchase	21/07/2017	26,623,177	1.40		
		-	170,882	Market Purchase	28/07/2017	26,794,059	1.41		

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the year		Increase/Decrease in Shareholding during the year			Date of change	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares - Decrease	No. of shares - Increase	Reason		No. of shares	% of total shares of the company
				-	325,610	Market Purchase	04/08/2017	27,119,669	1.43
				-	248,089	Market Purchase	11/08/2017	27,367,758	1.44
				16,653	-	Market Sale	18/08/2017	27,351,105	1.44
				-	177,571	Market Purchase	25/08/2017	27,528,676	1.45
				-	57,298	Market Purchase	01/09/2017	27,585,974	1.45
				-	337,423	Market Purchase	08/09/2017	27,923,397	1.48
				-	163,554	Market Purchase	15/09/2017	28,086,951	1.48
				-	379,670	Market Purchase	22/09/2017	28,466,621	1.50
				-	112,569	Market Purchase	29/09/2017	28,579,190	1.50
				-	918,822	Market Purchase	06/10/2017	29,498,012	1.55
				-	27,973	Market Purchase	13/10/2017	29,525,985	1.56
				-	128,766	Market Purchase	20/10/2017	29,654,751	1.56
				-	214,581	Market Purchase	27/10/2017	29,869,332	1.57
				486,892	-	Market Sale	31/10/2017	29,382,440	1.54
				-	88,579	Market Purchase	03/11/2017	29,471,019	1.55
				644	-	Market Sale	10/11/2017	29,470,375	1.55
				-	59,778	Market Purchase	17/11/2017	29,530,153	1.55
				-	36,021	Market Purchase	24/11/2017	29,566,174	1.56
				269,867	-	Market Sale	01/12/2017	29,296,307	1.54
				-	265,707	Market Purchase	08/12/2017	29,562,014	1.55
				507,137	-	Market Sale	15/12/2017	29,161,639	1.53
				-	106,762	Market Purchase	22/12/2017	29,226,387	1.53
				-	124,654	Market Purchase	29/12/2017	29,286,293	1.54
				-	162,469	Market Purchase	05/01/2018	29,448,762	1.55
				-	358,869	Market Purchase	12/01/2018	29,807,631	1.57
				-	261,911	Market Purchase	19/01/2018	30,069,542	1.61
				810,097	-	Market Sale	26/01/2018	29,259,445	1.54
				213,767	-	Market Sale	02/02/2018	29,045,678	1.52
				-	60,009	Market Purchase	09/02/2018	28,985,669	1.53
				-	131,387	Market Purchase	16/02/2018	29,117,056	1.53
				187,405	-	Market Sale	23/02/2018	28,929,651	1.52
				-	861,035	Market Purchase	02/03/2018	29,790,686	1.56
				-	185,512	Market Purchase	09/03/2018	29,976,198	1.58
				-	266,099	Market Purchase	16/03/2018	30,242,297	1.59
				-	10,26,343	Market Purchase	23/03/2018	31,268,640	1.64
				-	346,822	Market Purchase	30/03/2018	31,615,462	1.66
				-	-		31/03/2018	31,615,462	1.66

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the year		Increase/Decrease in Shareholding during the year			Date of change	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares - Decrease	No. of shares - Increase	Reason		No. of shares	% of total shares of the company
7	Capital World Growth and Income Fund	21,998,776	1.20	-	-		31/03/2017	21,998,776	1.20
				-	2,041,000	Market Purchase	19/05/2017	24,039,776	1.26
				-	3,132,271	QIP Allotment	19/05/2017	27,172,047	1.43
				-	2,974,121	Market Purchase	26/05/2017	30,146,168	1.58
				-	2,417	Market Purchase	02/06/2017	30,148,585	1.58
				1,997,854	-	Market Sale	09/03/2018	28,150,731	1.48
8	Caladium Investment Pte Ltd	25,966,992	1.41	-	-		31/03/2017	25,966,992	1.41
				-	-		31/03/2018	25,966,992	1.36
9	Caisse De Depot ET Placement DU Quebec	20,491,354	1.11	-	-		31/03/2017	20,491,354	1.11
				26,282	-	Market Sale	12/05/2017	20,465,072	1.11
				-	998,561	QIP Allotment	19/05/2017	21,463,633	1.13
				32,555	-	Market Sale	19/05/2017	21,431,078	1.13
				-	991,722	Market Purchase	26/05/2017	22,422,800	1.18
				68,129	-	Market Sale	02/06/2017	22,354,671	1.17
				87,721	-	Market Sale	09/06/2017	22,266,950	1.17
				47,018	-	Market Sale	16/06/2017	22,219,932	1.17
				91,242	-	Market Sale	26/06/2017	22,128,690	1.16
				28,284	-	Market Sale	30/06/2017	22,100,406	1.16
				126,405	-	Market Sale	21/07/2017	21,974,001	1.15
				-	38,464	Market Purchase	25/08/2017	22,012,465	1.16
				-	44,349	Market Purchase	03/11/2017	22,056,814	1.16
				-	37,402	Market Purchase	01/12/2017	22,094,216	1.16
		-	163,184	Market Purchase	08/12/2017	22,257,400	1.17		
		-	71,712	Market Purchase	12/01/2018	22,329,112	1.17		
		-	15,835	Market Purchase	02/03/2018	22,344,947	1.17		
					31/03/2018	22,344,947	1.17		
10	New World Fund Inc	17,273,219	0.94	-	-		31/03/2017	17,273,219	0.94
				-	1,042,841	Market Purchase	21/07/2017	18,316,060	0.96
				-	1,427,159	Market Purchase	28/07/2017	19,743,219	1.04
				-	1,415,400	Market Purchase	24/11/2017	21,158,619	1.11
				-	568,000	Market Purchase	08/12/2017	21,726,619	1.14
					31/03/2018	21,726,619	1.14		

Notes:

- 1) Top ten shareholders (on basis of PAN numbers) of the Bank as on 31st March, 2018 has been considered for the above disclosure. Number of Shares Increase/Decrease are on net off basis.
- 2) Date of change is the date of shareholding statement i.e. the date on which the beneficiary position is downloaded.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Increase/Decrease in Shareholding			Date of change	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares Decrease	No. of shares Increase	Reason		No. of shares	% of total shares of the Company
DIRECTORS									
1	Dipak Gupta	1,343,592	0.07	-	-		31/03/2017	1,343,592	0.07
				40,000	-	Market Sale	26/05/2017	1,303,592	0.07
				5,000	-	Market Sale	23/06/2017	1,298,592	0.07
				-	20,000	ESOP Allotment	14/06/2017	1,318,592	0.07
				-	21,764	ESOP Allotment	30/06/2017	1,340,356	0.07
				10,000	-	Market Sale	04/08/2017	1,330,356	0.07
				5,000	-	Market Sale	18/08/2017	1,325,356	0.07
				15,000	-	Market Sale	22/09/2017	1,310,356	0.07
				-	5,120	ESOP Allotment	14/09/2017	1,315,476	0.07
				-	7,500	ESOP Allotment	29/09/2017	1,322,976	0.07
				-	7,500	ESOP Allotment	02/11/2017	1,330,476	0.07
				5,000	-	Market Sale	22/12/2017	1,325,476	0.07
				-	2,500	ESOP Allotment	29/12/2017	1,327,976	0.07
				10,000	-	Market Sale	26/01/2018	1,317,976	0.07
				10,000	-	Market Sale	02/02/2018	1,307,976	0.07
				5,000	-	Market Sale	02/03/2018	1,302,976	0.07
				-	21,429	ESOP Allotment	28/02/2018	1,324,405	0.07
		-	-		31/03/2018	1,324,405	0.07		
2	C Jayaram	1,158,040	0.06	-	-		31/03/2017	1,158,040	0.06
				50,000	-	Market Sale	04/08/2017	1,108,040	0.06
				-	-		31/03/2018	1,108,040	0.06
3	Amit K Desai	1,548,750	0.08	-	-		31/03/2017	1,548,750	0.08
				-	-		31/03/2018	1,548,750	0.08
4	Farida Dara Khambata	36,000	0.00	-	-		31/03/2017	36,000	0.00
				-	-		31/03/2018	36,000	0.00

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Increase/Decrease in Shareholding			Date of change	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares Decrease	No. of shares Increase	Reason		No. of shares	% of total shares of the Company
KEY MANAGERIAL PERSONNEL									
1	Jaimin Mukund Bhatt	1,296,942	0.07	-	-		31/03/2017	1,296,942	0.07
				-	5,000	ESOP Allotment	25/04/2017	1,301,942	0.07
				-	5,000	ESOP Allotment	14/06/2017	1,306,942	0.07
				5,000	-	Market Sale	15/06/2017	1,301,942	0.07
				5,000	-	Market Sale	19/06/2017	1,296,942	0.07
				5,000	-	Market Sale	22/06/2017	1,291,942	0.07
				-	10,932	ESOP Allotment	30/06/2017	13,02,874	0.07
				10,000	-	Market Sale	07/09/2017	1,292,874	0.07

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Increase/Decrease in Shareholding			Date of change	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares Decrease	No. of shares Increase	Reason		No. of shares	% of total shares of the Company
				5,000	-	Market Sale	11/09/2017	1,287,874	0.07
				-	5,078	ESOP Allotment	14/09/2017	1,292,952	0.07
				500	-	Off Market (Gift)	25/09/2017	1,292,452	0.07
				7,500	-	Market Sale	29/09/2017	1,284,952	0.07
				-	7,500	ESOP Allotment	02/11/2017	1,292,452	0.07
				-	5,052	ESOP Allotment	29/12/2017	1,297,504	0.07
				10,000	-	Market Sale	25/01/2018	1,287,504	0.07
				10,000	-	Market Sale	29/01/2018	1,277,504	0.07
				-	5,000	ESOP Allotment	07/02/2018	1,282,504	0.07
				-	5,000	ESOP Allotment	28/02/2018	1,287,504	0.07
				-	-		31/03/2018	1,287,504	0.07
2	Bina Rameshchandra Chandarana	47,867	0.00	-	-		31/03/2017	47,867	0.00
				-	716	ESOP Allotment	30/06/2017	48,583	0.00
				-	672	ESOP Allotment	23/08/2017	49,255	0.00
				-	414	ESOP Allotment	23/11/2017	49,669	0.00
				-	-		31/03/2018	49,669	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in crore)

Particulars	Secured Loans excluding deposits	Unsecured Loans @	Deposits @@	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	21,095.48	157,425.86	178,521.34
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	304.88	608.05	912.94
Total (i+ii+iii)	NIL	21,400.36	158,033.91	179,434.28
Change in Indebtedness during the financial year				
• Addition				
• Reduction				
Net Change	NIL	3,910.96	35,323.19	39,234.14
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	25,154.15	192,643.27	217,797.42
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	157.17	713.83	871.00
Total (i+ii+iii)	NIL	25,311.32	193,357.10	218,668.42

Notes:

@ Unsecured Loans represent Borrowings made by the Bank from RBI, banks & other financial institutions (including those raised by way of Infrastructure bonds, Tier II Bonds & Upper Tier II Bonds)

@@ Deposits represent Deposits raised by the Bank under the Banking Regulation Act, 1949.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lakh)

Sl. no.	Particulars of Remuneration	Name of MD/WTD		Total Amount
		Mr. Uday Kotak (MD)	Mr. Dipak Gupta (WTD designated as Joint MD)	
1.	Gross salary *			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	292.36	286.70	579.06
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 @	0.40	566.90	567.30
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	-	Cost included in 1(b) above	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit			
	- Others, specify...			
5.	Others, please specify	-	-	-
	Total (A)	292.76	853.60	1146.36
	Ceiling as per the Act **			

Notes:

@ The perquisite value towards stock options includes the difference between exercise price & market price on the date of exercise. The same is not paid by the Bank, amounted to Nil for Mr. Uday Kotak and ₹ 566.51 lakh for Mr. Dipak Gupta.

* Gross salary includes Basic salary, Drivers Allowance, Professional Allowance, Reimbursement of Medical expenses, Leave Travel Allowance and Annual Incentives.

** Remuneration of Directors of the Bank is governed by Section 35-B of the Banking Regulation Act, 1949.

B. Remuneration to other directors

(₹ in Lakh)

Sl. no.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. Amit Desai	Prof. S. Mahendra Dev	Mr. Prakash Apte	Ms. Farida Khambata	Mr. Uday Khanna @	Mr. Asim Ghosh @	
1	Independent Directors							
	Fee for attending board/committee meetings	9.00	16.00	17.40	5.40	12.40	-	60.20
	Commission **	8.00	10.00	10.00	10.00	7.50	2.00	47.50
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	17.00	26.00	27.40	15.40	19.90	2.00	107.70

(₹ in Lakh)

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
		Dr. Shankar Acharya	Mr. N. P. Sarda @	Mr. Mark Newman #	Mr. C. Jayaram @	
2	Other Non-Executive Directors					
	Fee for attending board/committee meetings	9.00	-	-	8.80	17.80
	Commission **	-	5.00	-	10.00	15.00
	Others - Remuneration	30.00	-	-	-	30.00
	Total (2)	39.00	5.00	-	18.80	62.80
	Total (B)=(1+2)					170.50
	Total Managerial Remuneration					
	Overall Ceiling as per the Act *					

Notes:

* Remuneration of Directors of the Bank is governed by Section 35-B of the Banking Regulation Act, 1949.

** Commission pertaining to FY 2016-17 paid during FY 2017-18

Mr. Mark Newman has waived off the sitting fees & commission payable to him.

@ Mr. Asim Ghosh retired w.e.f. 9th May, 2016

Mr. N.P. Sarda retired w.e.f. 22nd July, 2016

Mr. Uday Khanna appointed w.e.f. 16th September, 2016

Mr. C. Jayaram retired as a Joint Managing Director on 30th April, 2016 but continues as a Non-Executive Director w.e.f. 1st May, 2016

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ in Lakh)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total Amount
1.	Gross salary *			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	96.42	391.79	488.21
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	7.77	242.14	249.91
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option @	Cost included in 1(b) above		
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit			
	- others, specify...			
5.	Others, please specify	-	-	-
	Total	104.19	633.93	738.12

Notes:

@ The perquisite value towards stock options includes the difference between exercise price & market price on the date of exercise. The same is not paid by the Bank, amounted to ₹ 7.46 lakh for Company Secretary and ₹ 241.85 lakh for CFO.

* Gross salary includes Basic salary, House Rent Allowance, Professional Allowance, Reimbursement of Medical expenses, Leave Travel Allowance, Annual Incentives and cost towards Stock Appreciation Rights.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY			NIL		
Penalty					
Punishment					
Compounding					
B. DIRECTORS			NIL		
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT			NIL		
Penalty					
Punishment					
Compounding					

Secretarial Audit Report

ANNEXURE - B

Form MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,

KOTAK MAHINDRA BANK LIMITED

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KOTAK MAHINDRA BANK LIMITED** (hereinafter called the "Bank").

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 MAHINDRA BANK LIMITED's** books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Bank has, during the audit period covering the financial year ended on 31st March 2018, complied with the statutory provisions listed hereunder and also that the Bank 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 **KOTAK MAHINDRA BANK LIMITED** for the financial year ended on 31st March 2018, according to the provisions of, as may be applicable:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993;
 - (d) The Securities and Exchange Board of India (Bankers to an issue) Regulations, 1994;
 - (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
 - (g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (h) 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;
 - (i) The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992;
 - (j) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (k) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (l) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996;
 - (m) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) Laws specifically applicable to the industry to which the Company belongs:
 - (a) The Banking Regulation Act, 1949;
 - (b) The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

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

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

During the period under review the Bank has complied with the above Secretarial Standards issued by The Institute of Company Secretaries of India.

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

I further report that

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

Adequate Notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.

Decisions at the meetings of the Board of Directors of the Company were carried out unanimously. There were no dissenting views by any member of the Board of Directors during the period under review.

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

I further report that during the audit period:

1. A Special Resolution was passed at the Extra- Ordinary General Meeting of the Company held on 9th May, 2017 by the Members approving the ceiling limit on total holdings of FII and FPIs through primary or secondary route to such percentage as the Board may decide from time to time not exceeding 49% of the paid-up equity capital of the Bank. Pursuant to the same, the Board of Directors of the Bank had granted their approval for increase in the ceiling limit on the total holdings of FII and FPIs from 42% to 43%.
2. A Special Resolution was passed at the Extra- Ordinary General Meeting of the Company held on 9th May, 2017 by the Members pursuant to section 23, 41, 42 and 62 of the Companies Act, 2013 for approving issuance of securities specified in the said Resolution, in one or more tranches, up to 62,000,000 Equity Shares of ₹5/- each, by way of a public issue or a private placement or a rights issue, including a qualified institutions placement. Accordingly, the Bank has issued and allotted 62,000,000 equity shares of face value of ₹5 each at an issue price of ₹936 per equity share aggregating to ₹58,032 million by way of Qualified Institutions Placement.
3. A Special Resolution was passed at the Annual General Meeting of the Company held on 20th July, 2017 by the Members pursuant to section 180(1)(c) of the Companies Act, 2013 for approving an increase in the Borrowing limits up to ₹ 60,000/- crore of the Company.
4. A Special Resolution was passed at the Annual General Meeting of the Company held on 20th July, 2017 by the Members pursuant to section 42 of the Companies Act, 2013 for approving private placement of Non Convertible Debentures/ Bonds in the domestic and/or overseas markets for an amount upto ₹ 5,000 crore on a private placement basis in one or more tranches and series.

Place: Mumbai
Date: 8 May 2018

Rupal Dhiren Jhaveri
FCS No: 5441
Certificate of Practice No. 4225

*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 MAHINDRA BANK 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 Bank. 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 our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.
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 Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.

Place: Mumbai

Date: 8 May 2018

Rupal Dhiren Jhaveri

FCS No: 5441

Certificate of Practice No. 4225

Details of CSR Activities and Spends

₹ Lakh

CSR project/ activity identified	Sector in which the project is covered	Area of project implementation (Name of the District / s, State / s where project / programme was undertaken	Programme / project wise budgeted amount	Programme / project wise actual spend during the year – Direct expenditures	Programme / project wise actual spend during the year – Overheads	Cumulative Expenditure upto reporting period (since FY2014-15)	Amount Spent: Direct or through impmenting agency
Promoting education and Livelihood - Urban poverty is addressed through education and livelihood programmes	Promoting Education & Livelihood	Mumbai, Maharashtra	1,878.75	1,071.54	223.20	4,709.41 (Out of this, the NGO has not utilised ₹ 584.01 lakh. It will be used in FY 2018-19)	1,878.75 (Implemented through the Kotak Education Foundation- KEF)
Promoting Education - Construction and operation of Culinary and baking skills workshop for the mentally challenged adults at 'Om Abode'.	Promoting Education	Raigad, Maharashtra	76.00	19.19	NIL	76.00 (Out of this, the NGO has not utilised ₹ 56.81 lakh. It will be used in FY 2018-19)	76.00 (Implemented through Om Creation Trust)
Promoting education - Supported six fellows through Teach to Lead (Project Teach for India)	Promoting Education	Delhi and Hyderabad, Telangana	35.00	NIL	NIL	70.00 (The amount has not been utilised. It will be used in FY 2018-19)	35.00 (Implemented through Teach to Lead)
Promoting education - Support towards development of a monthly newsletter Resurgent India to facilitate research and disseminate knowledge	Promoting Education	Pan India	34.50	8.99	0.97	34.50 (Out of this, the NGO has not utilised ₹ 24.54 lakh. It will be used in FY 2018-19)	34.50 (Implemented through Pahle India Foundation).
Promoting education - Launched Kalashaala (Music Education and Engagement Programme) and Nrityaparichay (Folk Dance Training and Engagement Programme)	Promoting Education	Mumbai, Navi Mumbai	30.15	24.14	5.01	30.15 (Out of this, the NGO has not utilised ₹ 1 lakh. It will be used in for FY 2018-19)	30.15 (Implemented through NCPA).
Promoting education - Established a teacher development model for quality education through Information Technology integration.	Promoting Education	Hyderabad - Telangana, Bengaluru - Karnataka , Jaipur - Rajasthan	30.74	24.40	6.34	50.74	30.74 (Implemented through IT For Change)

₹ Lakh

CSR project/ activity identified	Sector in which the project is covered	Area of project implementation (Name of the District / s, State / s where project / programme was undertaken	Programme / project wise budgeted amount	Programme / project wise actual spend during the year – Direct expenditures	Programme / project wise actual spend during the year – Overheads	Cumulative Expenditure upto reporting period (since FY2014-15)	Amount Spent: Direct or through impmenting agency
Promoting education - Supported the education of special children from Asha Schools.	Promoting Education	Hyderabad - Telangana, Jhansi - Uttar Pradesh, Devlali - Maharashtra, Guwahati - Assam, Shillong - Meghalay, Chandimandir - Haryana, Pathankot - Punjab, Patiala - Punjab, Lucknow and Meerut - Uttar Pradesh, Udhampur - J&K, Bikaner - Rajasthan, Jaipur - Rajasthan	26.00	NIL	NIL	26.00 (The amount has not been utilised this year. It will be used in FY 2018-19).	26.00 (Implemented through the Army Welfare CSR Fund)
Promoting Education - Opened 68 learning centres that benefitted 3,200 students of over 68 villages of eastern Uttar Pradesh.	Promoting Education	Ballia, Fatehpur and Pratnagarh - Uttar Pradesh	20.40	5.14	NIL	20.40 (Out of this, the Company has not utilised ₹ 15.26 lakh. It will be used in FY 2018-19)	20.40 (Implemented through Cashpor Micro Credit)
Promoting education - Provided vocational training in Early Childhood Care Education Diploma (ECCCEd) for women from lower socio- economic strata in Mumbai.	Promoting education	Panvel - Maharashtra	10.00	NIL	NIL	10.00 (The amount has not been utilised this year. It will be utilised in FY 2018-19)	10.00 (Implemented through Women's India Trust)
Promoting education - Supported a college preparatory programme for students with hearing disabilities.	Promoting Education	Mumbai, Maharashtra	8.00	NIL	NIL	25.00 (The amount has not been utilised. It will be utilised in FY 2018-19)	8.00 (Implemented through DEEDS Public Charitable Trust)
Promoting education -Installed a roof-top grid connected solar plant (10KWp) for Kasurba Gandhi Balika Vidyalyay.	Promoting Education	Jind, Haryana	7.86	7.86	NIL	7.86	7.86 (Direct Implementation)
Promoting education - Scaled up educational activities, provided free meals and healthcare related support to children.	Promoting Education	Mumbai, Maharashtra & Sankheshwar, Gujarat	7.15	7.15	NIL	17.15	7.15 (Implemented through Shri Mahesh Shah Chart Trust)
Promoting education - Supported the visually impaired by procuring computers with specialised software and printing books in braille.	Promoting Education	Nashik, Maharashtra	6.81	6.81	NIL	6.81	6.81 (Implemented through The Blind Welfare Organisation Nashik)

₹ Lakh

CSR project/ activity identified	Sector in which the project is covered	Area of project implementation (Name of the District / s, State / s where project / programme was undertaken	Programme / project wise budgeted amount	Programme / project wise actual spend during the year – Direct expenditures	Programme / project wise actual spend during the year – Overheads	Cumulative Expenditure upto reporting period (since FY2014-15)	Amount Spent: Direct or through impmenting agency
Promoting education - Supported National Digital Literacy Mission (‘NDLM’)	Promoting Education	Pune, Maharashtra.	6.39	4.09	2.30	6.39	6.39 (Implemented through NASSCOM Foundation).
Promoting education - Implemented Project ‘I like school – Can kids’. The project helps cancer affected kids undergoing treatment to continue their education.	Promoting Education	Mumbai, Maharashtra	5.00	1.50	0.40	19.00 (Out of this, the NGO has not utilised ₹ 3.1 lakh. It will be used in FY 2018-19)	5.00 (Implemented through Dhanwantari Medical Trust)
Promoting education - Extended Support towards operating expenditure of Balwadi (Pre-school education programmes) for under privileged children.	Promoting Education	Mumbai, Maharashtra	5.00	4.59	0.41	9.00	5.00 (Implemented through national Society for Clean Cities India)
Promoting Education -Supported the construction of a residence cum school for mentally challenged children that houses 100 mentally challenged children in Wai, Satara District.	Promoting Education	Satara, Maharashtra	5.00	NIL	NIL	5.00 (The amount has not been utilised this year. It will be utilised in FY 2018-19)	5.00 (Implemented through the Prabhakar Bantwal Foundation)
Promoting education - Pan India book collection and distribution to the under privileged Students.	Promoting Education	Satara, Maharashtra	4.08	2.42	1.66	5.10	4.08 (Implemented through Ratna Nidhi Charitable Trust)
Promoting education - Life skills training project through Action for Ability Development and Inclusion .	Promoting Education	Delhi	3.75	3.75	NIL	13.25	3.75 (Implemented through Action for Ability Development and Inclusion)
Promoting education - Supported various education projects at Samarpan Centre for Autism Spectrum Disorders.	Promoting Education	Mumbai, Maharashtra	3.75	3.75	NIL	14.41	3.75 (Implemented through SOPAN)
Promoting Education - Installation of integrated rainwater harvesting and sanitation at a school for the hearing impaired rural school.	Promoting Education	Pune, Maharashtra	3.50	NIL	NIL	3.50 (The amount has not been utilised this year. It will be utilised in FY 2018-19)	3.50 (Implemented through The Pune Hillside Rotary Charitable Trust)

₹ Lakh

CSR project/ activity identified	Sector in which the project is covered	Area of project implementation (Name of the District / s, State / s where project / programme was undertaken	Programme / project wise budgeted amount	Programme / project wise actual spend during the year – Direct expenditures	Programme / project wise actual spend during the year – Overheads	Cumulative Expenditure upto reporting period (since FY2014-15)	Amount Spent: Direct or through impmenting agency
Promoting education - Constructed a class room for tribal children.	Promoting Education	Virampur, Gujarat	2.00	NIL	NIL	2.00 (The amount has not been utilised this year. It will be utilised in FY2018-19)	2.00 (Implemented through Samvedana)
Promoting education - Established a tuition centre for the underprivileged.	Promoting Education	Chimbel, Goa and New Delhi	2.00	1.33	0.12	3.00 (Out of this, the NGO has not utilised ₹ 54,657. It will be used in FY 2018-19)	2.00 (Implemented through Samarpan Foundation)
Promoting education - Supported educational expense of two road accident victims' kins with assistance from Bridge Over Troubled Waters.	Promoting Education	Kottayam Kerala and Bengaluru - Karnataka	0.25	0.25	NIL	0.25	00.25 (Direct Implementation)
Enhancing livelihood - Launched a poverty reduction programme to ensure the livelihood of rural and tribal community focussed on various water and agriculture centred programmes.	Livelihood enhancement Projects	Dahod, Gujarat	65.00	29.63	6.61	200.00 (Out of this, the NGO has not utilised ₹ 28.76 lakh. It will be utilised in FY 2018-19)	65.00 (Implemented through NM Sadguru Water and Development Foundation)
Promoting preventive healthcare - Provided Rehabilitation support to ex-servicemen who were wounded in action.	Promoting preventive healthcare	Pune, Maharashtra	56.25	NIL	NIL	56.25 (The amount has not been utilised this year. It will be utilised in FY 2018-19)	56.25 (Implemented through Army Welfare CSR Fund)
Promoting preventive healthcare - Supported treatment of patients suffering from Ewing's Sarcoma.	Promoting preventive healthcare	Mumbai, Maharashtra	50.00	NIL	NIL	50.00 (The amount has not been utilised this year. It will be utilised in FY 2018-19)	50.00 (Implemented through the Karo Trust)
Promoting preventive healthcare - Implemented six Mobile Medical Units (MMUs) in and around Hyderabad.	Promoting preventive healthcare	Hyderabad, Telangana	45.00	NIL	NIL	45.00 (The amount has not been utilised this year. It will be utilised in FY 2018-19)	45.00 (Implemented through Wockhardt Foundation)

₹ Lakh

CSR project/ activity identified	Sector in which the project is covered	Area of project implementation (Name of the District / s, State / s where project / programme was undertaken	Programme / project wise budgeted amount	Programme / project wise actual spend during the year – Direct expenditures	Programme / project wise actual spend during the year – Overheads	Cumulative Expenditure upto reporting period (since FY2014-15)	Amount Spent: Direct or through impmenting agency
Promoting preventive healthcare - Supported the economically weak hearing impaired patients for Cochlear Implants.	Promoting preventive healthcare	Pune, Maharashtra	35.00	12.18	NIL	35.00 (Out of this, the NGO has not utilised ₹ 22.82 lakh. This will be utilised in FY 2018-19)	35.00 (Lata Mangeshkar Medical Foundation)
Promoting preventive healthcare - Aided the treatment support programme for patients suffering from childhood cancer and their families through Cankids Kidscan . The support includes accomodation, nutrition of the patients.	Promoting preventive healthcare	Delhi	30.00	23.47	1.76	30.00 (Out of this, the NGO has not utilised ₹ 4.77 lakh. This will be utilised in FY 2018-19)	30.00 (Implemented through Cankids Kidscan)
Promoting preventive healthcare - Provided holistic home based palliative care for people living with cancer in West Delhi.	Promoting preventive healthcare	Delhi	15.80	9.54	NIL	57.00 (Out of this, the NGO has not utilised ₹ 6.26 lakh. It will be utilised for FY 2018-19)	15.80 (Implemented through CanSupport)
Promoting preventive healthcare - Contributed to Dr. Arun Kurkure's 'Initiation and Treatment Fund' programme.	Promoting preventive healthcare	Mumbai, Maharashtra	10.00	NIL	NIL	10.00 (The amount has not been utilised this year. It will be utilised in FY 2018-19)	10.00 (Implemented through Indian Cancer Society)
Healthcare - Provided Monthly Grain Support (MGS) support to cancer affected children and their families from economically weaker sections of the society	Healthcare	Mumbai, Maharashtra	7.00	2.70	NIL	7.00 (Out of this, the NGO has not utilised ₹4.30 lakh. It will be utilised in FY 2018-19)	7.00 (Implemented through Dhanwantari Medical Trust)
Promoting preventive healthcare - Purchase of wheelchairs for spinal chord injury patients from	Promoting preventive healthcare	Pan India	7.50	NIL	NIL	7.50 (The amount has not been utilised this year. It will be utilised in FY 2018-19)	7.50 (Implemented through the Spinal Foundation)

₹ Lakh

CSR project/ activity identified	Sector in which the project is covered	Area of project implementation (Name of the District / s, State / s where project / programme was undertaken	Programme / project wise budgeted amount	Programme / project wise actual spend during the year – Direct expenditures	Programme / project wise actual spend during the year – Overheads	Cumulative Expenditure upto reporting period (since FY2014-15)	Amount Spent: Direct or through impmenting agency
Promoting preventive healthcare - Provided treatment and support to children suffering from cancer .	Promoting preventive healthcare	Mumbai, Maharashtra	5.00	0.06	NIL	5.00 (Out of this, the NGO has not utilised ₹ 4.94 lakh. It will be utilised in FY 2018-19)	5.00 (Implemented through the OCA Foundation)
Promoting sanitation - Construction of 20 individual toilet blocks in the villages of Panvel Takula.	Sanitation	Raigad, Maharashtra	5.00	NIL	NIL	5.00 (The amount has not been utilised this year. It will be utilised in FY 2018-19)	5.00 (Implemented through SKS Chakshu Foundation)
Promoting preventive healthcare - Provided medicines to adult cancer patients	Promoting preventive healthcare	Mumbai, Maharashtra	3.75	3.75	NIL	14.41	3.75 (Implemented through Cancer Patients Aid Association)
Promoting preventive healthcare- Supported animal assisted therapy projects for the mentally challenged.	Promoting preventive healthcare	Mumbai, Maharashtra	3.75	3.02	0.60	14.41 (Out of this, the NGO has not utilised ₹ 13,164. It will be used in FY 2018-19) .	3.75 (Implemented by the Indian Council for Mental Health Hygiene)
Promoting preventive healthcare - Installed RO water purifier at APMC Tiptur	Promoting preventive healthcare	Tiptur, Karnataka	2.35	2.35	NIL	2.35	2.35 (Direct Implementation)
Promoting sports -Instituted 'Inspired Institute of Sports' - a sporting facility project to train and mentor India's young and established athletes.	Sports	Bellary, Karnataka	25.00	24.00	1.00	75.00	25 (Implemented through JSW Foundation)
Sustainable Development - Plantation of 10,000 saplings indigenous trees.	Sustainable Development	Ahmedabad - Gujarat, Bengaluru - Karnataka, Chennai - Tamil Nadu, Delhi, Hyderabad - Telangana, Kolkata - West Bengal, Mumbai and Pune - Maharashtra	30.00	20.50	7.50	30.00 (Out of this, the NGO has not utilised ₹ 2 lakh. It will be used in FY 2018-19).	30.00 (Implemented through SankalpTaru Foundation)
Relief and Rehabilitation - Contributed to the Chief Minister's Relief Fund for flood rehabilitation.	Relief and Rehabilitation	State of Gujarat	20.00	20.00	NIL	29.99	20.00 (Direct Implementation)

₹ Lakh

CSR project/ activity identified	Sector in which the project is covered	Area of project implementation (Name of the District / s, State / s where project / programme was undertaken	Programme / project wise budgeted amount	Programme / project wise actual spend during the year – Direct expenditures	Programme / project wise actual spend during the year – Overheads	Cumulative Expenditure upto reporting period (since FY2014-15)	Amount Spent: Direct or through impmenting agency
Sanitation - Implemented the Clean India - Swachhta Hi Seva campaign.	Sanitation	Ahmedabad - Gujarat, Bengaluru - Karnataka, Chandigarh, Chennai - Tamil Nadu, Delhi, Hyderabad - Telangana, Kolkata - West Bengal, Lucknow - Uttar Pradesh, Mumbai, and Pune - Maharashtra	6.59	6.59	NIL	13.89	6.59 (Direct Implementation)
Constructed new houses for families in need - homes to low- income, marginalised families across India	Setting up homes for economically backward families	Raigad - Maharashtra Bengaluru, Karnataka	4.50	3.98	0.52	14.25	4.50 (Implemented through Habitat For Humanity India Trust)
Supported various community programmes of Give India.	Multiple sectors as GiveIndia supports several NGOs	Mumbai - Maharashtra	0.17	0.17	NIL	1.58	1.58 (Implemented through GiveIndia)
TOTAL CSR SPEND U/S 135 OF THE COMPANIES ACT, 2013, DURING FY 2017-18							2,639.74

Note: Though the Bank is eligible to consider upto 5% of the total CSR spend as administrative expenditure towards building its CSR capacities, etc., the Bank has taken a call not to consider it as a part of its CSR spend for FY2017-18.