



TRANSCRIPT

35TH ANNUAL GENERAL MEETING

TUESDAY, 18TH AUGUST 2020

3.00 P.M. TO 4.45 P.M. IST

Prakash Apte [Chairman of the Board of Directors]

Ladies and gentlemen, good afternoon, to all of you and a warm welcome to the 35th Annual General Meeting of the Company and our 18th AGM as a Bank. Owing to the current COVID-19 pandemic and in order to maintain social distancing norms, this AGM is being held through video conferencing in compliance with the directions issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India. It is now 3.00 p.m. and I have been told that we have a quorum. Bina, can you please confirm?

Bina Chandarana [Company Secretary]

Sir, we confirm.

Prakash Apte

Okay. And hence I call this meeting to order. With me I have Mr. Uday Kotak, Mr. Dipak Gupta.

Uday Kotak [Managing Director & CEO]

Good afternoon.

Dipak Gupta [Joint Managing Director]

Good afternoon.

Prakash Apte

Mr. C. Jayaram.

C. Jayaram [Director]

Good afternoon to all of you.

Prakash Apte

Prof S. Mahendra Dev

S. Mahendra Dev [Director]

Good afternoon to all of you.

Prakash Apte

Ms. Farida Khambata

Farida Khambata [Director]

Good afternoon.

Prakash Apte

Mr. Uday Khanna.

Uday Khanna [Director]

Good afternoon everyone.

Prakash Apte

Mr. Uday Shankar.

Uday Shankar [Director]

Good afternoon, Mr. Chairman. Good afternoon, everyone.

Prakash Apte

And Mr. Gaurang Shah.

Gaurang Shah [Whole-Time Director]

Good afternoon, everyone.

Prakash Apte

Okay. So all the directors are participating through video conferencing from their residence, including the Chairperson of Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee of the Bank.

Apart from them, we also have the representatives of the statutory auditors and secretarial auditors of the Bank. A detailed procedure to enable the members to participate in this meeting through video conferencing is already available in the AGM notice.

Further, the register of Directors and Key Managerial Personnel and their shareholdings and the Statutory Auditors' certificate for the ESOP schemes are available for inspection in electronic mode or inspection upon login at the NSDL e-voting system and on the Bank's website. As the AGM is being held through video conferencing, the facility for appointment of proxies by the members was not applicable and hence the proxy register is not available for inspection.

In compliance with the regulatory requirements and owing to the difficulties involved in dispatching physical copies, the Notice of the Annual General Meeting and the Annual Report containing the Directors' Report, Auditors' Report, Annual Accounts and related documents for the year ended 31st March 2020 has already been circulated electronically, only to members whose email address is registered with the Bank or the Depository Participant(s). These documents have been available to members for some time now. With your permission, I will take the notice of the AGM as read. The Auditors' report issued by the Statutory Auditors and the Secretarial Auditor has no qualifications, observations, adverse comments or remarks. With your permission, I will take these reports of the auditors as read.

I will now move on to a brief summary of the current economic environment and the Bank's performance in the Financial Year 2019-2020.

[Chairman's Speech begins]

During the last year, the global political, geopolitical and economic landscape faced various challenges, including global trade slowdown led by deterioration in the US-China trade relations and Brexit and finally culminating in an escalation of the COVID-19 pandemic in the last quarter.

The Indian economy as well has slowed down to a growth of 4.2% for FY 19-20, ahead of the COVID-19 impact hitting Indian shores by the end of the year. This slowdown was combined with deterioration in investment in real terms, at 33% of GDP in FY20, compared to 35% in the previous year. Consumption spending also saw a sharp moderation with FY20 real growth at 5.3%, against a medium term average of about 7%.

In this challenging context, our Group's results for the financial year demonstrated our strengths and the effectiveness of our strategy. Our sound risk management, governance, balance sheet strength, depth of our managerial capabilities, and our strong customer focus led us to conclude another successful financial year.

For the year ended 31st March 2020, the Group's consolidated profit after tax was Rs. 8,593 crore, which was 19% higher than the previous year. At a standalone level, the Bank reported a profit after tax of Rs. 5,947 crore, growing by 22% over the previous year.

In the standalone Bank balance sheet, our CASA deposits grew by 24% and savings deposits crossed Rs. 1 lakh crore in FY20. Our low-cost, granular, liability franchise remains one of our Bank's strengths, and a key element of our strategy.

On the lending side, our advances grew by about 7% closing at Rs. 219,748 crore. This relatively lower growth in our advances reflects our conscious decision to slow down lending, recognizing the headwinds in the economy.

We continued our focus on asset quality and the Bank's gross NPAs, as at March 31, 2020 stood at 2.25% of gross advances. The Bank continues to monitor asset quality very closely and has made prudent provisions. Thus, our net NPA as at March 31st stood at 0.71% of net advances. Further, we also made a provision of Rs. 650 crore towards potential impact of COVID on asset quality.

The Group's subsidiaries have been an important driver of our consolidated results and they contributed over 30% of the Group's consolidated profit for the year FY20. All subsidiaries are 100% beneficially owned by the Bank, and many of these subsidiaries, including insurance, broking and investment banking, asset management and advisory are low capital and non-credit-risk taking businesses.

Our Bank was recognized as the 'Best Midsize Bank' at Business Today - Money Today Financial Awards 2018-19. It was also recognized as "India's Best Bank" at the Euromoney Awards for Excellence 2018 and as 'Best Domestic Bank, India' at the Asiamoney Best Bank Awards 2019.

Apart from this, as in previous years, our Bank as well as other companies in our Group, have won a number of significant awards for excellence in products and services and Information Technology.

As all of us are aware, this year has begun with the serious and unprecedented challenge posed by the COVID-19 pandemic which is a battle of both science and economics. The immediate risk was the risk to lives and governments around the world introduced a variety of measures, including lockdowns, to contain the spread of the virus. In India, a nationwide lockdown was enforced at the end of March.

However while protecting lives, the lockdown also had a huge impact on livelihoods and the economy. Even after the central government has delegated the decisions to the States, the pandemic has forced many ground level restrictions, impacting the integrated functioning of the domestic economy. Most economists are now expecting negative GDP growth during the current financial year.

Despite the slowing of economic activity, inflation has remained relatively high in recent months, with CPI inflation at 6.23% in June and 6.93% in July, against an average of 4.8% for FY2020.

The slowing economy prompted the Indian government to announce a slew of measures to boost economic activity such as cash transfers to women and farmers, provision of food and gas cylinders to the poor and liquidity support to MSMEs backed by government credit guarantee. Additionally, in an effort to alleviate the tightening of financial conditions, the Reserve Bank of India has taken several measures to keep liquidity flowing into the system, such as repo rate and CRR cuts, increased limits for overnight borrowing under the MSF and targeted long-term repo operations for investments in corporate debt.

Government stimulus measures are expected to have a significant fiscal impact with India's consolidated central plus state fiscal deficit being projected by economists at 11% to 12% of GDP.

On the other hand, India's external account seems to be under control. While export growth has been slow owing to weak global demand, imports are contracted at a sharper pace owing to the fall in oil prices and weak domestic demand. The current account registered a surplus of 0.1% in the fourth quarter of FY20, and this situation is expected to continue through FY 2021.

Capital markets have bounced back significantly after the culmination of the nationwide lockdown. Net FPI inflows in to India this financial year have amounted to about USD 5 billion so far and the

stock market indices on August 14 were about 34% above their level at the start of the financial year.

The financial services industry, which underpins all economic activity, has had to adapt quickly to the situation this year. Till August 15th this year, the Indian banking and financial services sector alone has raised primary equity capital of nearly 70,000 crore.

Your Bank too has taken steps to adapt to the changing conditions and our focus is on operations and business continuity, customer service, employee safety, shift from physical to digital, capital preservation, liquidity management, cost rationalization and strengthening of collections infrastructure.

In May 2020, your Bank successfully completed a Qualified Institutional Placement of equity shares, being among the first entities in India to raise capital during the pandemic. The Bank raised Rs. 7,442.50 crore by issuing 6.5 crore equity shares.

With an all-round need to rationalize cost and preserve capital, in April 2020, the Group's leadership team unanimously and voluntarily opted to take a 15% cut in compensation for the financial year 2020-21. Management staff earning over Rs. 25 lakh per annum also took a cut of 10%.

Pursuant to approval from the Reserve Bank of India on 18th February 2020, the promoters' shareholding in the Bank was required to be reduced within a period of six months. The Bank has achieved the said requirement within the time period stipulated by the RBI.

In conclusion, it has become increasingly clear with time that COVID will have a long lasting effect on nearly all aspects of our lives. In terms of the economy, while there seems to be a recovery in some areas, it will be some time before we get back to pre-COVID levels.

Kotak as a Group has gone through various external changes in the past and has emerged stronger from each. This time too, the Group has retained its firm footing and is looking to strengthen itself in these uncertain times while keeping an eye on the opportunities ahead. Grounded in our prudent approach to lending and led with a clear vision of being a world class financial services conglomerate, Kotak is determined to Persever, Pioneer and Prosper.

With that, on behalf of the Board of Directors, I would like to thank all our customers, shareholders, regulators, and central and state governments for the continued encouragement, sustained support, timely guidance and generous advice that we have benefited from. Thank you, one and all.

[Chairman's Speech concludes]

I will now move to the other agenda items of the meeting. This meeting has been convened to seek your approval for items as detailed in the Notice of the annual general meeting. In accordance with the provisions of Section 108 of the Companies Act 2013, Rule 20 of the Company's (Management Administration) Rules 2014 as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015, the Bank had provided a remote e-voting facility to enable the members to cast vote electronically on the agenda specified in the notice of the annual general meeting.

Remote e-voting period commenced on 14th August 2020 and ended on 17th August 2020. Further, the members who have not casted their vote through remote e-voting and who are participating in this meeting can now go to the voting tab for availing e-voting facility provided by NSDL and at the same time, watch the proceedings of the meeting.

The e-voting facility will be open till 30 minutes after the closure of this meeting. Ms. Rupal D. Jhaveri, Practicing Company Secretary has been appointed as scrutinizer for remote e-voting and for e-voting process at the meeting.

Before inviting questions from members, I would now request Mr. Uday Kotak, our Managing Director and CEO to make a brief presentation. Uday, please.

[Presentation from Uday Kotak (MD & CEO, Kotak Mahindra Bank) begins. This presentation is available on the Investor Relations page of the Kotak website: <https://www.kotak.com/en/investor-relations.html>]

Uday Kotak

Thank you, Prakash. And welcome to all members and shareholders of Kotak Mahindra Bank. I would like to take the shareholders through a short presentation in this new world. And may I request my colleague to put up the first slide, which is welcome to the never normal world.

[Slide 2]

Friends in the last four or five months, COVID has started by first making us question about our changing times. So we began to move from what was the old normal to say that we are moving to a new normal. The point in my mind today is that are we really moving to a never normal where change is happening at a great speed.

And in many ways COVID is changing every part of our lives, working from home, social distancing, a new way of life. The balance between the physical and the digital worlds, it has dramatically shifted. And we can debate the percentages, but in the post COVID world to the digital world will have made a significant impact and enrolled into what was traditionally the physical world.

Today's annual general meeting is an example of this transition and transformation we are living through. At the same time in this never normal, of course, there are short term uncertainties around job securities, salaries, sustainability of certain businesses, and industries. But I am basically hopeful that the never normal will give us an ability to be able to operate much more on our feet and in a much more alert manner as we go into the future.

What are the new opportunities? The rural-urban divide seems to have broken. We can operate from anywhere in the world, to anywhere else in the world. Therefore, the statement like geography is history, is a huge opportunity for a country like India. At the same time, business models will change and only the quickest to evolve and adapt will survive and prosper.

Society at the same time needs a new imperative, it needs to focus on the medium term issues like health, education, environment. And we all in our day to day lives, need to constantly remind ourselves that it is not only the urgent, but what is important matters even more so in this COVID era.

[Slide 3]

Next. In terms of the COVID period, post March, what have we at Kotak done to be a part of this changing society out of the challenges of COVID. Of course in addition to contributions to the PM CARES Fund and the Chief Ministers Relief Fund, we have had a program which protects the protectors. Whether it's the police, professionals, healthcare workers, social workers, we've been out there providing masks, face shields, sneeze shields and PPE kits and other support on healthcare to all these brave soldiers fighting out there for us.

We have introduced a program on food, dry ration kits, health, hygiene, sanitation. And of course, inculcated in the kids to go out there and be a party to this change in the COVID world and contribute back to society. The Bank has basically matched the collections made by children under this program. And this COVID care is a continuing exercise with every aspect of Kotak Mahindra Bank and the entire Group are continuing to focus as the main agenda for the social support and change, which is required for us in this year 2020.

[Slide 4]

Next. Business priorities. First and foremost of all, our employees safety and continuity of customer service. Banking is an essential service. And we at the Bank have been able to provide a business continuity for our customers through these times. We were amongst the early ones, to move on work from home and had got all our capabilities in place in good time to be able to support all our customers.

Similarly, we put in place proper safety protocols across the country and uninterrupted services for our customers through digital channels. And even opening new accounts was something we continued both through quarter four [Q4FY20] of course, but also in quarter one '21 [Q1FY21].

[Slide 5]

Impact on business. It has been a mixed bag. On the deposit side impact, we have seen a very strong deposit business, despite savings rates, which we had to moderate. On the other hand, on the lending side, of course, new lending has become slower, and collections of existing loans have become more challenging.

We have also given appropriate moratoriums based on RBI guidelines. But I would like to share with the shareholders that this period of COVID would lead to a rise in credit costs. And we have made COVID related provisioning both in the March quarter as also the June quarter.

We have simultaneously, appropriately tightened our credit policies to ensure that depositors' monies and the shareholders' monies are adequately taken care of. We have focused on high tele-calling and digital payments for collections and leverage technology to focus on costs and productivities.

We are also very enthused by a strong growth in our subsidiaries' performance. And many of these subsidiaries are without credit risk and are building a stronger customer brand and franchise. Next.

[Slide 6]

Our strategy. First and foremost of all COVID times makes it even more important for us to continue to build trust, to enhance customer experience, to be efficient in terms of costs and convenient delivery channels for customers. And at the same time strengthen our data analytics capability to be able to offer a larger menu of products to our customers through the digital route.

The Bank, of course, continues to be the main engine for our acquisition, we are expanding our market share across a range of products and services. And at no time forgetting that the core of Kotak is value-focused growth.

We actively seek growth opportunities. We continue to look at opportunities both organic and inorganic. We expand market share, new geographies, customer segments and new capabilities. Next.

[Slide 7]

We have also been very focused on our low cost and sustainable deposit base. And this relentless focus continues. At the same time, we are also expanding our presence in the current account markets even further. And even through these times, we will continue to focus on recruitment of high quality and professional talent on a continuing basis. And last, of course, is something which is very much in our DNA, continued risk management and focusing on risk adjusted returns for all our stakeholders. Next.

[Slide 8]

At the Bank we have 18 subsidiaries. This chart is available which highlights the 18 subsidiaries below the Bank. We are in a whole range of financial services businesses and therefore a true integrated financial service house serving the entire spectrum of financial services for our customers. Next.

[Slide 9]

Balance sheet. I'm happy to report that post the raising of capital as of June 2020, our consolidated capital adequacy is now amongst the highest in banking at 22.5% and the Bank standalone is at 21.1% as of June 2020. As our Chairman rightly highlighted, we have been conservative in our lending and our net NPAs were only 0.71% of our net advances. The strong capital base, continued focus on risk adjusted returns and recognizing the importance of the balance sheet over any other financial metric are the core to Kotak's DNA.

[Slide 10]

Next. Deposit franchise, I mentioned to you and Chairman also referred to it. Our CASA ratio is now at 56.7%, again, amongst the highest in Indian banking. Another important matrix is current and savings accounts plus deposits below Rs. 5 crore, highlighting the granular nature of our deposits now is more than 90% of our total deposits, a number which, in March 2019 was 81%; March '20, 86% and now over 90%. Next.

[Slide 11]

On the other hand, even before COVID hit us, we were sensing a certain slowing of the Indian economy and we therefore had a more conservative approach to the lending business. In particular, we were concerned about unsecured consumer retail and had slowed it down even before March 2020.

Before getting into the COVID period, we actually feel that we have gotten much lighter in terms of the mix and the quality of our loan book. Thanks to a more conservative approach even prior to COVID. Our advances grew only at 7% for the last year.

Going forward, we are using three key filters for new lending. Number one sectors where we believe that there is no significant impact of COVID are the sectors we are focused on. Two, we are cautious about companies with high fixed operating costs. And third, high leverage; that is, debt to equity ratios are something which concern us in COVID period.

We have been advising many of our customers that please go ahead and raise capital and strengthen your balance sheet. We are also very happy to inform that we have implemented the government's ECLG scheme for MSMEs and have done a disproportionate part of the lending compared to our relative share in the overall loans. We continue to be a major player funding MSMEs under the government's ECLG scheme.

[Slide 12]

Next. Digital is a way of life and we are continuing a relentless focus on being digital as the basis for our customer interaction. We were the first Bank to introduce video KYC and we now have an end to end account opening with zero in person contact. This continued relentless focus on digital channels to be able to serve our customers is a pursuit we will drive with even greater vigor as we go forward.

[Slide 13]

Next. The same principle applies in our subsidiaries, Kotak Life, Kotak Securities, Kotak General Insurance, everywhere digital is changing the way we do business. I am happy to report that all these three subsidiaries Kotak Life, Kotak Securities and Kotak General Insurance have actually been the positive outcome companies in the COVID period, thanks to their focus on digital and also the fact that many of their businesses have actually gained in this period of otherwise significant pressure for the traditional lending businesses.

[Slide 14]

Next. A pool of leadership in terms of management team is here in front of you on this chart. The average tenure of the leadership with the Bank and the Group is 25 years and this is something we are very proud of. It is a long term commitment, which we build with many of our senior leaders and it is a true testament of something we actually had shared with you many many years ago.

Our true belief that the future of business is professional entrepreneurship, you need to have the best of professionalism and the best of entrepreneurship together to create a world class institution, which is what we aspire for. We have a total leadership team of 56 people in the Kotak leadership team and the entire 56 people average is more than 19 years. The people you are seeing on this chart has an average of around 25 years.

[Slide 15]

Next. Wide pan India distribution of branches. As you are aware, in 2015, we acquired ING Vysya Bank by merging it into us. We now have a very well diversified network of 1,600 branches and reasonably balanced between North, South and West. On a relative basis, East is less and I do hope in the years to come East India will pick up as the opportunities grow in that part of the region.

[Slide 16]

Next. Similarly, the Group, across all our channels between insurance, securities, asset management and others, we now have 3,693 touch points of distribution vis-a-vis our customers.
Next.

[Slide 18]

A quick word on financial highlights at the AGM. We have disclosed our Q1 '21 [Q1FY21] results already. Our profit after tax for the first quarter was Rs. 1,244 crore therefore, despite COVID, despite additional provisioning, the Bank continues to be profitable.

There has been, yes, impact on profitability, but we believe we are strong enough to withstand COVID and get stronger in the future. Our net interest margins also holding up well, net NPA compared to 0.71% has marginally moved up. But we have strong capital to be able to take this shock and go forward.

[Slide 19]

Next. On a consolidated basis, our profit after tax was Rs. 1,853 crore, and capital and reserves now at Rs. 76,443 crore, nearly 23% capital adequacy ratio of which Tier I is more than 22.5%. Book value per share is about Rs. 384 per share.

[Slide 20]

We have given a split here of the various key companies in the Group and their profits after tax, totaling to Rs. 8,593 crore for last year [FY20] and Rs. 1,853 crore for this year [Q1FY21]. I want to highlight that some of the companies are actually continuing to do extremely well in the COVID period, particularly companies like Kotak Securities, Life Insurance as also our Asset Management companies and the international subsidiaries. All those are not affected by the credit costs and continue to flourish despite the challenges of COVID. Next.

[Slide 21]

The strength of the balance sheet is reflected here in the numbers. And you can see each and every major subsidiary is very well capitalized and has seen significant ability for leverage but has kept its powder dry. Should growth come back, we are well positioned to be able to leapfrog on a significant basis.

[Slide 22]

Next. Assets under management. We manage monies of clients on an asset management basis. Between March and June you can see asset management AUM has grown from Rs. 225,000 crore to Rs. 259,000 crore. And the line below which is wealth management and privy and investment advisory in addition to asset management is another Rs. 282,000 crore, which we advise various clients across relationships, both in wealth privy and investment advisory. So continue to have a very strong focus on fiduciary management of money for clients and we consider this as a growing franchise for us in the years to come. Next.

[Slide 23]

And last, but not the least, integrated financial services, healthy asset quality, prudent risk management, digital and technology as a key focus area, focusing on opportunities and quickly acting on them, a strong brand and a strong governance culture, experienced team, and an

extremely strong Board of Directors supporting us in our initiatives is something which we present to our shareholders.

Thank you very much, ladies and gentlemen.

[Presentation concludes]

Prakash Apte

Thank you, Uday for giving the key highlight for the Bank as well as the Group and at the same time outlining the changes and the uncertainties which all of us are facing on account of COVID and correspondingly how the Bank is responding to the challenges and still looking out for opportunities wherever it is possible.

So, I would like to invite shareholders for asking their questions, giving their comments. I would request each person to be brief. I think two minutes each is the time which is allocated. Kindly remain focused with regard to your queries as far as the notice and agenda is concerned. I would request subsequent speaker not to repeat the points which are already mentioned by the earlier speaker. And that way, I think we will be in a position to give opportunity to everybody who wants to speak.

So, I would now request Ms. Bina Chandarana to invite the speakers one by one.

Bina Chandarana

The first speaker is Mr. Suraj Gupta. I've been told that he came in but he has logged out. So we have the second speaker Mukesh Chandiramani who has excused himself. He said he will not be able to participate because of his other commitments.

Speaker number three Sarbananda Gattani.

Sarbananda Gattani [Shareholder]

Prakash Apte: Hello Sarbananda.

Hello Mr. Chairman, you all are great people and I am 20-25, I mean a share holder for 18-20 years since IPO, when you bought the shares of Rs. 10 at Rs.390 in the name of Anand Mahindra and Uday Kotak, I was in share market only, when I was doing my CA, the premium was so good and I was enjoying. I have got another point, Mr. Chairman, I am a fan of yours but I am a very big fan of Mr. Uday Kotak. I am a share holder for these many years and I am an Optima customer of Kotak bank for 20 years in Seven Road branch, to be precise 17-18 years. Mr. Uday, a special hello to you, think as if I am giving you a flower bouquet. We are not meeting but I am a very big fan of yours. The way you have made the Bank ready, the family which you are from, the merger which you made of ING Vysya, the cash delivery which you give at home for your Privy, Optima or Insignia customer of yours, I was banking in Hongkong and Standard Chartered bank but left

Hongkong Bank and joined Kotak Bank on the same day when it was started. And he said Mr. Gattani give me 6 cheques of Rs. 20000 of 5-6 accounts and I gave it, that was the start of Kotak Mahindra Bank. Today I proudly say that in Mumbai, Delhi, Chennai, in Kolkata there would 20 branches, Dalhousie, Park Street, we get a very good service.

And I don't say that I am a member of Optima or Insignia, I have a FD of Rs. 50lacs, in that there is a negative Mr. Kotak and Mr. Chairman. My FD has renewed now at 4.75 percent, I am so surprised you dropped it, 1 years rate, we have to give TDS of 30 percent, you deduct my tax, so kindly look into it, I saw your interview with Shekhar Gupta while walking. You said that poor people get 6 percent and you earn 17 percent on bank loan. So, the bill discounting concept which you did, for us at least Bandhan Bank, if you see ICICI bank or RBL, they are giving at 7.25 percent or 7.50 percent but when we are trusting you, you are just giving 4.75 percent what is the use, still I didn't leave you, because I know you are most safe. In the Government of India, you have a great name. You are in the 4th place, you are among the 10 top richest person, so powerful. Mr. Kotak I am very happy about you, Mr. Uday Kotak I will talk about you only, I am big fan, don't know when the Covid will end next year, you will go to physical meeting, I need one visiting card and one autograph of yours. Your Kotak Mahindra Asset Management Company, Kotak Securities, all my account is 3 in 1 account in which the Kotak Securities also comes in. Now, coming to the account point, our positive points are, we are opting India's first video based KYC, savings account, that is how the twin purpose of convenience and contact lets opening of 811 accounts. Bank's active customer pay for only 3 million, with 2.3 million credit cards and so much.

You elaborated everything, I won't take much time and I will just say in short. Our net interest income was 17974 against 14645, up by 20 percent. Our cash deposit 24.48 percent at 147622 is a great thing, these are the positives. We will talk little good and then we will come to 1 or 2 negatives also. Cash and cash equivalents at the end of the year 64079.84 crore, what will our Covid spoil, but still we have to be safe. Now I have got some queries to Chairman and Mr. Kotak. The first query is what is the reason for the drop in our market capitalization. Please tell us where did we lack? Kotak Securities average, daily volume is down by 7.19 percent and might be down further due to setting new rules related to security market specially on margin trading policies. I am over, Mr. Kotak, I need your autograph, I support all your resolutions and I am always with you, I have proved it by staying in your Bank and Kotak Securities. Mr. Kotak, I would like to have a one to one meeting with you if I get a chance. Thank you very much Mr. Kotak for your pleasant hearing.

Prakash Apte

Next speaker please.

Bina Chandarana

Mr. Kirti Shah. He also seem to have left or we have lost him. Speaker number five Pushpadevi Khandelwal is also not attending though she has been registered. We have speaker number six, Ravi Kumar Naredi.

Ravi Kumar Naredi [Shareholder]

Respected Chairman Prakash Apte Ji, respected MD and CEO Uday Ji, eminent Board of Directors, employees of company and fellow shareholders. My only single question on annual report, Page 11 in which you said, look at lending business differently and you tell first to develop a view on sector which we are comfortable with. Will you tell sector name please? I would like to know the sector name where you are comfortable. That is my point. And thank you for giving me opportunity in AGM.

Prakash Apte

Okay. Thank you very much. Can we have the next speaker?

Bina Chandarana

Speaker number seven HS Patel.

HS Patel [Shareholder]

I am Mrs. Patel. Very good afternoon to you. Respected Chairman, Mr. Prakash Apte; our most favorable Mr. Uday Kotak, MD and CEO; Mr. Dipak Gupta Ji; Farida Khambata whom we know from quite a long time, very happy to have you on the Board as a lady Director; our lady company Secretary Bina Chandarana, who has worked very hard to give us a nice report and who has always been in touch with us and helping us out, thank you very much Bina; and our CFO, Mr. Jaimin Bhatt, very good financial results, very well laid out.

Here I would like to give special thanks to Mr. Himanshu Vasa who has gone out of his way to explain all the financial numbers which I could not understand in the financial book. Himanshu, very, very special thanks to you in the crucial time when you were busy, yet you took out time to explain to me. I am very much thankful and wish you all the best Himanshu. So it speaks volumes about the Bank, which has won innumerable awards, which in the annual report is full of three to four pages, various awards won by the Bank.

Here I would also like to congratulate above all Mr. Uday Kotak, have been ranked as Number 2 the Best CEO. Uday Kotak sir, this is first time that I have come across an MD, a Director on the Board, who has not taken salary for the whole year and who has only taken Re 1 as a token. I am really appreciating you and wishing you good luck. May you live long healthy life to improve our Bank and to improve our country economy also, I wish you all the very best Kotak Ji.

If there was an AGM in the conference room, I would have given you a standing ovation. But here I salute a man who has set an example where people are protecting crores of rupees in this COVID time also. You have set an example to all those whether it is banking people or private industry company people, you have set a very good example to all of them. I salute you sir.

I also salute your senior management people who have taken 15% salary cut, your junior level management people who have taken 10% salary cut in this COVID times where it's a very crucial

time that we are passing through. Inspired by this, I just have a humble request please. A very humble request. Sir please do not give us dividend next year also.

And this dividend amount may help. Please give it to your employees, junior management, senior management, your down level managing people, employees or increase their salary as they have worked very hard in this pandemic time. This is from my side, a humble request, please.

I'm extremely thankful to all the employees for working and keeping this Bank open in this crucial time. So I have nothing more to add. The Bank is doing absolutely very well under the management of Mr. Kotak and all the eminent directors. I have a few questions.

So are you planning to list any of your subsidiaries, as you have 19 subsidiaries and three associates? Any plans to list any of your subsidiaries?

With the reduction in travelling, how much expense you perceive to reduce annually? Any plans in reduction of rentals in the office spaces? What is the cost revenue and profit per employee? One more request from my side. Can you please launch any special FD for shareholders, especially for senior citizens, many of us shareholders are senior citizens and also for employees, any special FDs given some more percent benefit to us? Because we are very faithful customer of yours as well.

So, in this COVID time we see that as video conferencing is of great importance, many advantages it has, but no disadvantage. It gives chance to people from all over our country, maybe even from abroad as in some companies even from abroad people were speaking. So being at home one can be connected with the company.

AGM is taking place only once in a year. And this chance to speak about the finances of the company, about the prospects of the company is given only once in a year. And I'm very much thankful to MCA and also to SEBI for this audio/video conferencing system. And I wish that government banks and government companies especially under the guidance of Mr. Kotak sir, should put up request to MCA to continue with this habit of video conferencing rather than wasting our time and money in arranging the hall, in arranging or wasting one full day in attending the conference, one day full manpower losses being done in attending the conference, waste of money, waste of time.

This is a very valuable means of organizing AGM. And please Kotak sir, I hope under your guidance, you will request MCA and SEBI to go forward with this system. It is very comfortable for senior citizens also. It is very good for companies, not to waste their time and money.

What is the daily cash burn of your Bank? Anyway, the Company is doing very well and I have no grievance or no complaint. I wish the management team, the Board of Directors, and all the

employees all the very best and good luck to all of you. The way you've worked, Mr. Kotak sir, all the very best to you.

Prakash Apte

Thank you very much Mrs. Patel. Thanks for your compliments and suggestions. Thank you. Bina, can we have the next speaker?

Bina Chandarana

Pushpadevi Khandelwal.

Prakash Apte

Mr. Khandelwal, we are not able to hear you very clearly. Is there a chat box, Bina, where they can send a question?

Bina Chandarana

No, sir.

Prakash Apte

Mr. Khandelwal, may I suggest that you try a little later? Bina will call you again since we can't hear you very clearly. Okay? Please. Thank you.

Prakash Apte

They will then call you again. We are not able to hear you. Thank you. Bina, next speaker.

Bina Chandarana

Yes, Sir. Sayantan Bhomick.

Sayantan Bhomick [Shareholder]

Good afternoon, Chairman sir and members of the board. I'm Sayantan Bhomick, and I represent PineBridge Investments. We hold a little over 2.3 million shares of Kotak Mahindra Bank. We had a few observations and a few questions with Chairman, which I just talk about now.

We noted that payment companies globally, today have a market capitalization higher than banks. So Visa is bigger than JP Morgan Chase; MasterCard is bigger than a Bank of America. It is astonishing to note that payments firms which carry low risk are now being rewarded more than banks which take large risk, maybe because they are gatekeepers and take a small slice of every transaction and in turn direct customers to their favorite partners.

In India, Google Pay and PhonePe control 75% of UPI payments. How do we ensure that we do not lose out to this ecosystem as this ecosystem evolves? And how do we ensure that we maintain not just our market share, but also our favorable economics and the business?

Second question is we have nearly 50,000 employees in the Bank. While HDFC Bank which has about two and a half times the number of employees have a balance sheet which is almost five times. I would request to comments on this observation.

Lastly, I would like to mention that ESG has become a very important parameter for investing globally. In this context it would be helpful if the company provided greater details of the efforts made by the Bank in various areas and the results of those efforts over the years. That is one observation I had.

Overall at PineBridge we are very satisfied with the way Kotak Mahindra Bank has been run and how they have handled the pandemic situation till now and are supportive of the Company in its endeavors and to restore normalcy as soon as possible. With this, I would like to thank the Board, the management and all the employees of Kotak Mahindra Bank and wish them the best for the coming years. Thank you.

Prakash Apte

Thank you. Okay, let us have the next speaker.

Bina Chandarana

Speaker number nine Muralidharan R.

Muralidharan R [Shareholder]

Members of the Board, shareholders, Mr. Chairman, ladies and gentlemen, I am R Muralidharan from Bangalore. My DP ID and Client ID is IN***-***-***-***-**. First of all, my congratulations to the entire team of management for getting various awards for the excellent performance of Kotak Bank. The Bank has achieved a new landmark in profit along with all round growth.

It is the year of pandemic, which has almost destroyed the economy of the world in general, and our country in particular. Despite this, our Bank has achieved the most amazing progress anywhere in banking industry under our exceptional leader and a great champion, Mr. Uday Kotak. It is honor for me to participate in this big event.

If the AGM is conducted on a regular pattern as was before, it would definitely not have been possible for me to attend in person at Bombay from Bangalore, due to the distance and cost involved. The COVID-19 has made for me as a blessing in disguise to participate from home. Sir, let me come straight to the business.

There is a news in the media that you are likely to acquire some small banks and the private sector like one which you did recently by acquiring ING Vysya Bank. Can you please confirm this important aspect so that the shareholders can start acquiring the shares of the small bank then get benefited?

Our Bank has made very impressive all round growth. As I said, now it is the right time for the management to reward their shareholders with bonus shares. Sir, as you are aware, the shareholder consists of group of individuals, small investors, employee shareholders and more particularly senior citizen, retired employees of your Bank.

Sir, your hard work and devotion has fully taken care of the shareholders investing in the Bank at greater height. Sir, the retirees, we have been well taken care of by you so far, but there is a small issue for your attention.

The DA earlier was to be paid to the small section of the retirees of the Bank, which is pending for reasonably long time. Retirees are confident that you will resolve this issue immediately. Also, I am sure that this will not affect your balance sheet, largely. I have chosen this platform to highlight this because the retirees are failing to meet both ends at this hour of pandemic, please help. Thank you very much, sir. This is R Muralidharan with Client ID and DP ID IN***-***-***-****. Thank you very much.

Prakash Apte

Thank you, Mr. Muralidharan. Bina, can we have the next speaker please?

Bina Chandarana

Speaker number 10 Gautam Tiwari.

Gautam Tiwari [Shareholder]

Honorable Chairman sir, Mr. Prakash Apte, Mr. Uday Kotak, Mr. Gupta Ji, Bina Chandarana and all dignified Board of Directors and our Kotak Bank team and fellow shareholders. Mr. Uday Kotak even I am also your very big fan. I am the very first depositor of FD and even saving account and all that at our DN Road Branch.

I am speaking on behalf of thousands of other shareholders who have requested me to speak this. I am just conveying this. CASA rate 56.7%, which is highest in the industry. Collection and recovery of loans is a matter of concern. I would especially like to congratulate you for the Best Bank Award or Best Working Bank and so many other awards.

How many wilful defaulters, we have got? Whether the Bank has any fraud monitoring committee, we would like to know. Are our bank employees allowed to travel by train? And if they are not allowed any arrangement bank has done for them to travel and for their safety and security? And those who are working from home, are they paid 100% salary? How many of our employees were affected by COVID?

We wish you all the best and fair luck and bright and shiny future all the way ahead to all of you and all of us. Thank you very much.

Prakash Apte

Thank you Tiwari Ji. Bina next speaker please.

Bina Chandarana

Speaker number 11 Shailesh Mahadevia.

Shailesh Mahadevia [Shareholder]

Respected Chairman, distinguished directors and members of the Company. First, let me congratulate the entire Board of Director and the management team for the excellent result which we have obtained under difficult conditions.

Sir, our report is exhaustive and further, you yourself as a Chairman gave a nice introduction and it was further very nicely elaborated by Mr. Kotak. And he has brought us almost up to date as far as the working of our Bank is concerned. We appreciate some of your slogans like perseverance, pioneer and prosper.

Sir, let me tell you, we are also with you in this approach. And I also enjoyed your statement regarding that you are examining the entire situation with a microscope, and also with a binocular. Nothing can be left out in this whole thing. Sir, then I would like to say further, that on the 15th of August, the speech given by the Prime Minister was an inspiration to the entire country.

Sir, it was further supported and elaborated by the speech when he was interviewed by Mr. Uday Kotak. And he just reinforced the confidence of the capital world, and also the people interested in the economy of the country in a very big way from a long term point of view.

And before I forget, I would like to appreciate the cooperation and guidance of secretarial department. I feel privileged for this opportunity to put a few questions which are of a broader time to get your guidance and particularly from Mr. Uday Kotak.

Sir, my first question is I would like to know that how much of the banking business is now within public sector and how much of it is in the private sector. My next question is regarding the approach of RBI and government also, that the promoters' holding they have been insisting that it should not be reduced.

In this connection there is a further restriction which is likely to come is regarding the number of years for which the chief executive of a bank and work as such, I believe they are trying to bring in a limit of about 15 years or so, in short means that the tenure of Uday Kotak chief officer of our Bank may be limited by a few years. So in this connection, I wish to make one or two observations.

Firstly, government is the biggest holder in so many banks. Why are they not reducing their own holding, so that the administration of the bank and the financial sector can improve considerably?

The second thing is that it is shareholders, the Reserve Bank and government has put restrictions on individual shareholding, public shareholding, various type of shareholdings.

Having put that restriction, it is the shareholders of the company who should be left making the major decisions as far the working of the bank is concerned. In particular, as to how long the chairman of the bank or the chief executives of bank should continue to do services to the bank, should be determined by the shareholders. So in this connection, I would like to recall, the problem in case of Keshub Mahindra's case when the government and the company law had put a restriction on the compensation which maybe to the Executive Director and they had said that the salary cannot be more than what is being paid to the President of India, which in those days meant only Rs. 10,000.

And Mr. Keshub Mahindra went right up to the Supreme Court and the decision was given in his favor that it is the company who has to decide, it is the shareholders who will decide how various other things will be managed. Sir, it is in that spirit that we should also make presentation, particularly continuation of our Chief Executive, Mr. Uday Kotak, far exceeding the limit which Reserve Bank Chief has in mind.

And we have a classic case of Mr. Puri, who has recently only given service for about 50 years or so, ever since its inception. So, there is a very good indication. And I hope we will try to fight for it.

Sir my next suggestion or the query is regarding the statistical data which is available in the country based on which various decisions are being taken at different levels. Now, if the basic statistical data themselves are in question, how do we make policy decisions? If you can throw some light that what is happening at present as far as these statistical data and the base year which has been selected is being used by the economy in general.

Sir, then, my next question is regarding the significance of GDP. Of course, it is of relevance, at least in the long run, although in the short period as a result of specific situation, it may be noted, but the emphasis may not go very high for that for a short period. Sir, what I would like to know is that GDP is always to be looked at as the GDP of central government as well as state government.

And from that point of view, sir, what is the observation of our Bank regarding this data which are being given and the emphasis to be given to this particular data? Sir, I take this opportunity to wish our Bank very great success and I am sure it is our way of life to succeed and to make progress year after year and we experience that also during the last 14 years. Thank you very much, sir for your kind attention.

Prakash Apte

Thank you Shailesh Ji. Thank you very much. Bina, can we have the next speaker please.

Bina Chandarana

Speaker number 12 Ms. Swati Makkar has expressed her inability to join. Speaker number 13 Vasudha Dakwe.

Vasudha Dakwe [Shareholder]

Good afternoon, sir. I would like to congratulate the Company Secretary and her team for sending me a soft copy of the report well in advance, indicates transparency. I would also like to congratulate our CSR committee.

I would like to ask few questions, what is the impact of COVID-19 pandemic situation on our subsidiaries. Please throw some light on the rural sector branch activities of the Bank as there is less awareness of the online e-transaction platform. What is your policy regarding current employees who are not working from home? With this I support all the resolutions and wish best for coming years. Thank you.

Prakash Apte

Thank you Vasudha Ji. Bina, let us have the next speaker please.

Bina Chandarana

Yes, Speaker number 14 Hariram Chaudhary.

Hariram Chaudhary [Shareholder]

So Mr. Chairman, and Managing Director Mr. Uday Kotak, first of all, I wish to point out to Mr. Uday Kotak that when you were Chairman of Banking Committee in Indian Mission Chamber, I was with you as a member of the committee. And with that background, I have to make a request, as appeal to you in a suggestion that you take our Punjab and Maharashtra Cooperative Bank Limited.

There are nine lakh depositors. Their own money is held up since last 10 months, and maybe 50% are dried, with five lakh depositors our money is Rs. 5,000 crore, but the assets are more than Rs. 10,000 crore, which is addressed by enforcement directorate and also economic officers.

On behalf of association, we would like to meet you Apte Ji and Uday Ji. And we will give you all the information documents whatever you want, but on the ground of humanity as well as on grounds of business expediency kindly take over this bank so that the lives of so many people can be saved and the bank can be revived.

Now, the Reserve Bank also has tried to revive the bank. But if you take a look at that cooperative bank, all the incomes then I'm very sure that Reserve Bank will accept it. So kindly give us your consent. If we can take an appointment from you, we will meet you on behalf of Association with all the documents.

So kindly reply and give me a positive response. And this is what I expect from you. Then of the annual report in case you have printed some copies, one copy I would like to have.

Now, I come to CSR which is a very fond subject of mine, Uday Ji and Prakash Ji. Are we helping the three company which Prime Minister had mentioned in the Independence Day speech, that they are trying to take out the vaccine? Are we giving the money to these three companies, so, that they take out the vaccine earlier than delay?

So, all the assistance should be given to them to be ensured that they bring out the vaccine, which all the 130 crore people are waiting for that. So kindly mention about it. Then about COVID affected people how we will help, whether we have given the ambulance, whether we have given ventilator, ICU beds, PPEs and in what other way your help, how much amount you spent?

And CSR how much amount you spend, whether it is more than 2%, kindly let us know about that. Now one suggestion that today we are meeting by compulsion with virtual meeting on videoconference, but by end October if physical shareholders meeting can be organized? Diwali, last week of October will be ideal when we would like to meet you. It can be a get together. So kindly, give you a consent for that also.

And kindly let us know today's proceedings are being streamed by which website. So that also kindly let us know about it. And let us know how many employees are working from home. And as far as the Bank is concerned, it is making all round progress. And Uday Ji and Prakash Ji I commit my best wishes for all round progress and prosperity of the Company. But I would expect that two points reply on Punjab and Maharashtra Bank and also regarding the vaccine, helping the company for vaccine take out. Thank you very much.

Prakash Apte

Thank you very much. Bina, let us please have next speaker,

Bina Chandarana

Speaker number 15 Lekha Satish Shah.

Lekha Satish Shah [Shareholder]

Respected Chairman sir, Board of Directors and my fellow members, good afternoon to all of you. Myself Lekha Shah. I'm very thankful to our company Secretary Ms. Bina Ji for very good investor services and also sending me annual report well in time, which is full of knowledge.

Due to pandemic COVID-19 we all are facing crisis and have to stay home. Thank you Uday sir for explaining about the Bank. I am a shareholder since IPO. I would like to congratulate our Bank for winning various awards. And also I am very happy, our Bank doing very well in the field of CSR activities.

Congratulation to all for excellent work. Sir, I have few question to ask. How is the Bank preparing itself in a COVID-19? What are the learnings from the lockdown? And how is the Bank implementing this learning? Our Bank employees, brothers and sisters in which way we are supporting our bank employees in this COVID crisis?

Our Bank announced excellent first quarter results, so should we expect the remaining three quarters of the year will be good. I wish our Bank good luck for a bright future and I support all resolutions. Thank you sir.

Prakash Apte

Thank you Lekha Ji. Bina, do we have more speakers?

Bina Chandarana

Two more speakers sir. Aspi Bhesania, I'm told he's not there. He's not logged in. Maybe we will get connected. Speaker number 17 Dinesh Bhatia.

Dinesh Bhatia [Shareholder]

I would like to congratulate the Chairman because even in this really difficult time of Covid they worked hard. This is a very proud moment for you and your team that is very proud because as we see in our region the profit has been increased by 26% last year our net profit was 7,200 crore, so this time against that the profit of 8,500 crore has happened that is a very proud moment and that is a very big profit for our Bank. I congratulate you and your whole team. We also saw the first time that through digital medium we did KYC for the first in India through E-platform we are also proud of this work done by our Bank. Second, I will say that in our balance sheet the page number 24-28 the award sheet which is given for that I want to congratulate you and your whole team this is a very big deal it is very good and we also feel proud that we are shareholders of such a good bank. We are very proud that good work is being done and we see one more thing that Uday Kotak being the best CEO and all other awards they have got. They are also to be applauded for the good work. I congratulate Uday Kotak and to you all as well. I have no questions or objections about the balance sheet rather I am so happy that our NPA, if you see the NPA of other banks that is more like 2%,4%, our net NPA is 0.7% and that is also something to be proud of because of you and your teams effort.

Secondly, what Mr. Kotak said in his speech. The team of your board that is there from more than 19 years with this Bank that is also something to be proud of. We are happy to know that our work will be done satisfactorily that is why the board is there together for more than 19 years and that is a good thing, Rest I will say that the donations that you do, you do not do business only to earn money but you have helped for Chief minister fund, and Covid relief fund. For that also we are proud that is a good thing and I give you my support in all resolutions and we are happy. The Company Secretary Bina and her team called us and reminded that we are registered as speakers. I have attended more than 15 video conferences but the video which we are watching this is perfect the choice is very good and the people who have done the work of video they are

also very nice. So not to say anything more I will like to say thank you to all of you and say congrats.

Prakash Apte

Thank you Dinesh Ji. Bina I think Mr. Khandelwal was to get a second chance.

Bina Chandarana

No, there is one more speaker Aspi Bhesania.

Aspi Bhesania [Shareholder]

Chairman sir, Mr. Uday Kotak, other Directors and shareholders, appreciate your policy of paying 50, 60, 70 and 80 and doing one for one bonus. I will not ask for a bonus, but remember shareholders in good times. Sir, I would like to know where will the growth come from. Good corporates do not require loans and corporates who require loans are not willing to repay.

People, most of them have lost their jobs. MSMEs are in debt and they wake up once and they go back to debt. So where will the growth come from? Sir deposits grew by 20% whereas advances grew by 7%. Can we not improve the growth of deposits?

What will you do with the deposits? Interest rates are going down, existing government security prices will increase. Most of the public sector banks are alive only on primary income. We have very low primary income, why?

All the income from corporate and retail are the same. Segment profit from corporates is much higher. So why for that also? Are there big provisions in retail, because of which the retail profits have gone down? Insurance income is reduced whereas segment profit is very good. So thank you and all the best.

Bina Chandarana

Chairman, Mr. Khandelwal seems to have some connectivity issue. He is not able to connect. We spoke to him, but he's finding it difficult.

Prakash Apte

All right. In that case, are all the speakers over now?

Bina Chandarana

Yes, sir. All speakers are over.

Prakash Apte

In which case I would request Mr. Uday Kotak to respond to the queries please.

Uday Kotak

Thank you, Chairman and thank you shareholders for the various queries. I'll try and answer them to the best of my ability. Firstly, I think there was a question on deposit rates, both in terms of FDs and also on the savings deposit rate, I will first start with the savings deposit rate.

I have to inform our shareholders that even today at 4% savings deposit rate, we are higher than the four other large banks which is State Bank of India, HDFC Bank, Axis Bank, and ICICI Bank. These four banks offer only 3% up to Rs. 50 lakhs, we offer 4% for amounts above Rs. 1 lakh.

So, our rates of savings deposit even today are better than some of the larger banks in the banking system. At the same time I would also like to mention that with reference to the reduction in deposit rates, you are aware that there has been a sharp drop in repo rates announced by the RBI and RBI has flushed liquidity into the market to address the COVID situation.

This has also enabled us to consistently bring down our lending rates, both in the repo linked lending rates as well as in the MCLR rates. Therefore as our lending rates come down, since we are basically banks working on the spread between the depositors' money and lenders' money, as responsible management and the board, to the stakeholders and the shareholders, we have been in a situation where we had to moderate our deposit rates.

I fully empathize with the pain which the savers of India would be facing. And my belief is that the core of our Bank is certainly working in the interest of savers. Having said that, we also have a responsibility to reduce the cost of money for borrowers, as is the current policy of the RBI and the government.

This is a balancing act we are doing between both the sides, and I hope the shareholders will understand in the interest of keeping the Bank stable, sustainable and profitable in these challenging times. So, that is point number one.

The second question which was asked was with reference to sectors which we believe are relatively less exposed to COVID. It is obvious the sectors which we find in our day to day lives, we need to be connected with. Therefore the entire area of consumer essentials, pharmaceuticals, IT, digital, ecommerce and other sectors are actually coming back pretty fast.

We are also seeing at the same time even within financial services, our businesses in securities, broking, advisory businesses, asset management businesses, as also general insurance and life insurance are less impacted by COVID. Therefore, different sectors have had different implications.

We are all aware about the impact of COVID on sectors like tourism, hospitality, air travel, restaurants, hotels. These sectors have been more impacted by COVID as we are all aware. The

other question was asked in the context of payment companies. Yes, payment companies have been getting a lot of market share, including what Google Pay and PhonePe have done.

At this point of time, let me just share for the benefit of all the shareholders. If you look at the different segments of our value pools within the financial services, which is payments, other transactions, deposits and loans. Payments is a value pool, which has a smallest value pool from the point of view of the overall revenues.

Having said that, payments is a way to build into the segment and thereafter some of these companies may try and grow out of it. So we are fully aware of that. We have also taken a number of steps on our side and we'll continue to do so to leverage, even in the payment space, provided it also gives us the ability to get value across different segments of financial services.

We will certainly make sure that our positioning in financial services including in the flows business is something we will certainly go after and ensure not only that we defend, but also find opportunities of growth. So, we are fully conscious of that and we are taking steps to ensure that we take an appropriate positioning in the financial services business.

The next question was number of employees relative to some of the other banks. Let me share with you one of the things which Kotak Mahindra Bank has done differently is we have moved a significant number of our employees from outsourced employees to fixed term employees. And this was as per the scheme of the Government of India which was announced a year ago.

We think it is more efficient, more effective from a cost point of view on doing fixed term employment compared to outsource which has its own challenges and inefficiencies. So that is why our employee numbers may look a little higher compared to some of the other banks.

But we are very focused on our efficiency, at the same time investing in the future. And to a certain extent, I think you need to look at the different parameters across which you judge, may be for example, if you look at on a relative basis, our CASA ratio is far superior to almost any other bank, or our net interest margins have been quite significant, or our focus on retail has been higher.

So various other factors determine the actual cost to income as also the ratio of number of employees versus the overall asset side. If there's one thing which I mentioned in my presentation - also, we need to focus on risk adjusted returns, and not just absolute risk balance sheet size, the same point which you made.

Finally, banks most of the time, make mistakes on the risk side, which is why building franchise brand and revenue businesses with relatively lower risk is the key to our future. And some of those businesses have also higher people propensity.

I would also like to share that the Bank is very focused on ESG. We are ranked very high in National Stock Exchange index with reference to our performance on ESG. And it is at the top of our agenda because we genuinely believe that ESG-compliant companies will do better in the years ahead. I fully endorse the view that ESG across environment, society and governance are the key pillars for any sustainable institution to build.

There was a question about retired employees. On that our position is clear. We will follow whatever is the law, and we will respect it in that context, and whatever the law requires us to do is something which we are always bound to do.

On willful defaulters, we have about 70 parties who are willful defaulters.

And on the share of public sector and private sector banks, currently, the last numbers we have is public sector banks' share deposits is 63%, private sector is about 29% and cooperative and foreign banks is the balance 8%. That is the current split based on deposits.

The questions with reference to government policies and RBI policies. We will engage at an appropriate time for the right outcomes in the interest of our Bank.

CSR, if there is any vaccine support which is required, our CSR will be very happy and we'll go all out to support any such vaccine in COVID times.

I would also like to highlight a number of points which were asked with reference to COVID. Our actions being taken on COVID were covered both in the Chairman's speech and in my presentation. We are very focused on going all out in 2020 [FY20] and '21 [FY21], to anything which supports our endeavors, both for life and livelihood in COVID times.

The question then was also asked with reference to growth that is good companies don't want to borrow, and bad companies don't want to repay, how will we get growth in our lending businesses? I think it's a very good question. And let me just say that that is why we are constantly navigating between risk and return as we take our calls for going out there in lending.

We have some significant advantages in terms of our business model. Because we are now amongst the lowest cost of funds produced bank in the country which enables us to be able to be more competitive in our pricing for the right quality of credit risk.

And on treasury income, at the end of the June quarter, we had disclosed to the investors that we are sitting on un-booked treasury profits, which are about Rs. 3,000 crore, therefore, they may not have flown into the P&L of the previous quarters. But these are un-booked MTMs, which are sitting on the balance sheet of the Bank.

With that I will now hand it back over to the Chairman. If there are any other specific queries which I may not have covered, I will request the shareholders to get in touch with Bina Chandarana who will ensure that the right people from the Bank's team will address those queries as soon as possible.

With that over to Chairman.

Prakash Apte

Thank you. Thank you very much Uday for your comprehensive response covering almost all of the queries. And as Uday pointed out if there are any other questions and queries, our Company Secretary will be happy to handle the same.

Now, as there are no further questions, I will proceed further. I would like to thank all the members for participating in the meeting through video conferencing. I would also like to thank all the Directors of the Bank for their participation in the meeting.

I now authorize the Whole Time Directors and the Company Secretary of the Bank, severally, to declare the result of the voting through e-voting after the process is complete, and results have been certified by the scrutinizer.

The combined result of the remote e-voting and e-voting will be communicated to the stock exchanges within 48 hours of the close of this meeting. The members are further requested to note that the results declared along with scrutinizer's report shall be placed on the Bank's website. Further the recorded transcript of this meeting shall also be placed on the Bank's website.

Ladies and gentlemen, I now declare this meeting as closed. Thank you very much, everybody.

Note: This document has been edited to improve readability. Comments in [square brackets] indicate additional information for the sake of clarity.