

# Report on Corporate Governance

The Bank believes that Corporate Governance is a reflection of its value system, encompassing its culture, its policies and its relationship with the stakeholders. It is more than just adherence to the regulatory and statutory requirements. It is equally about focusing on voluntary practices that underlie the highest levels of transparency.

The Bank further believes that good Corporate Governance practices helps in creating and enhancing long-term sustainable value for all its stakeholders.

The Bank is committed to achieving and adhering to the highest standards of Corporate Governance and it constantly benchmarks itself with best practices, in this regard. The Bank's philosophy on corporate governance is, therefore based on following principles:

- integrity,
- independence,
- accountability and responsibility,
- transparency in dealings,
- fair and timely disclosures.

The Bank's Board consist of eminent individuals having expertise and experience in various fields who understand and respect their fiduciary roles and responsibilities towards its stakeholders and strive hard to meet their expectations at all times.

The report on the Bank's corporate governance, as per the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as under:

## BOARD OF DIRECTORS

### Composition, Meeting and Attendance

The composition of the Board of Directors of the Bank is governed by the Banking Regulation Act, 1949 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on 31<sup>st</sup> March, 2020, the Board of Directors, comprising a combination of executive and non-executive Directors, consisted of ten members, of whom six were non-executive Directors. The Chairman of the Board was a Non-Executive Director and five of the Directors were independent. The Board mix provides a combination of professionalism, knowledge and experience required in the banking industry. The responsibilities of the Board inter alia include formulation of overall strategy for the group, taking new initiatives, formulating policies, performance review, monitoring of plans, pursuing of policies and procedures. The Board is responsible for the business and overall affairs of the Bank and the reporting structure of the Bank is consistent with the same.

A brief description of the Directors, along with the companies in which they hold directorship and the membership of the committees of the Board, as on 31<sup>st</sup> March, 2020, are furnished hereunder:

#### Mr. Prakash Apte, Non-Executive Part-time Chairman

(DIN: 00196106)

Mr. Prakash Apte, B.E. (Mechanical), aged 66 years, served as Managing Director of Syngenta India Ltd (SIL), agricultural business company in India, until April, 2011. SIL is a subsidiary of Syngenta Group one of the largest research based agribusiness across the world. Since May, 2011, he has been the non-executive Chairman of Syngenta India Limited. He was instrumental in setting up the Syngenta Foundation India which focuses on providing knowledge and support for adopting scientific growing systems to resource poor farmers and enabling their access to market. He was appointed as the Part-time Chairman of the Bank at the Annual General Meeting held on 19<sup>th</sup> July 2018 for a period from 20<sup>th</sup> July 2018 till 31<sup>st</sup> December 2020.

Mr. Apte 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. During more than 16 years of successful leadership experience in agriculture business, he has gained diverse knowledge in various aspects of businesses and has been involved with many initiatives for technology, knowledge and skills upgradation in this sector, which is vital for India's food security. He is on the Board of Syngenta Foundation India and Indo-Swiss Centre of Excellence.

He is on the Board of the following companies:

Syngenta India Limited	Kotak Mahindra Life Insurance Company Limited
Fine Organic Industries Limited (Independent Director)	

Mr. Apte is the Chairman of the Audit Committee of Syngenta India Limited and Kotak Mahindra Life Insurance Company Limited and a member of the Audit Committee of the Bank and Fine Organic Industries Limited. He is also a member of the Stakeholders Relationship Committee of Syngenta India Limited and Fine Organic Industries Limited.

#### **Mr. Uday Kotak, Managing Director & CEO**

(DIN: 00007467)

Mr. Uday Kotak, aged 61 years, holds a Bachelor's degree in Commerce, and a MMS degree from Jamnalal Bajaj Institute of Management Studies, Mumbai. He is the Managing Director & CEO of the Bank and its promoter. Under Mr. Kotak's leadership, over the past 34 years, the Kotak Group established a prominent presence in major areas of financial services including banking, stock broking, investment banking, car finance, life and general insurance and asset management. He is a member of the International Advisory Board of GIC Private Limited, Singapore and International Advisory Panel of Monetary Authority of Singapore and Investment Advisory Committee of the Army Group Insurance Fund. He is also a Governing Member of the Mahindra United World College of India, Member of the Board of Governors of Indian Council for Research on International Economic Relations (ICRIER) and The Anglo Scottish Education Society (Cathedral & John Connon School).

Mr. Kotak has been awarded the 'EY World Entrepreneur of the Year Award' in 2014 by Ernst & Young, 'Economic Times Business Leader of the Year Award' in 2015 by the Economic Times, 'Businessman of the Year 2016' by Business India, 'Lifetime Achievement Award at Financial Express Best Banks' Awards 2016', 'USIBC Global Leadership Award' in 2018 by the U.S.- India Business Council, 'CEO of the Year Award at CNBC-Awaaz CEO Awards 2018, 'Life Time Achievement Award' at Magna Awards 2019 by Businessworld and 'Best CEO in Banking Sector' by the Business Today Best CEO Awards 2019, amongst many others. –

He is on the Board of the following companies:

Kotak Mahindra Asset Management Company Limited	Kotak Mahindra Prime Limited
Kotak Mahindra Capital Company Limited	Kotak Mahindra Investments Limited
Kotak Mahindra Life Insurance Company Limited	Infrastructure Leasing & Financial Services Limited

Mr. Uday Kotak is also a member of the Stakeholders Relationship Committee of the Bank and Chairman of the Audit Committee of Kotak Mahindra Capital Company Limited.

#### **Mr. Dipak Gupta, Joint Managing Director**

(DIN: 00004771)

Mr. Dipak Gupta, B.E. (Electronics), PGDM-IIM, Ahmedabad, aged 59 years, is the Joint Managing Director of the Bank and has over 34 years of experience in the financial services sector, 28 years of which have been with the Kotak Group. Mr. Gupta helms numerous functions of the Bank including Compliance, Vigilance, Internal Audit, Human Resources, IT including Cyber Security, Digital Initiatives, Customer Experience, Marketing & Communications, Environment Social Governance (ESG) and Corporate Social Responsibility (CSR).

Mr. Dipak Gupta was responsible for leading the Kotak Group's initiatives into the banking arena. He was the Chief Executive Officer of Kotak Mahindra Prime Limited. Prior to joining the Kotak Group, he was with A. F. Ferguson & Company for approximately six years.

He is on the Board of the following companies:

Kotak Mahindra Life Insurance Company Limited	Kotak Investment Advisors Limited
Kotak Mahindra Capital Company Limited	Kotak Infrastructure Debt Fund Limited
Kotak Mahindra Inc.	Kotak Mahindra (UK) Limited

Mr. Dipak Gupta is also a member of the Stakeholders Relationship Committee of the Bank and Audit Committees of Kotak Mahindra Capital Company Limited and Kotak Investment Advisors Limited.

#### **Mr. KVS Manian, Whole Time Director (Appointed w.e.f 1st November, 2019)**

(DIN : 00031794)

Mr. K V S Manian, an electrical engineer from IIT (BHU) - Varanasi, Post Graduate in Financial Management from Jamnalal Bajaj Institute of Management Studies and a Cost and Works Accountant, aged 58 years, is the Whole Time Director of the Bank. Mr. Manian has a rich experience of 35 years of which over 25 years have been with the Kotak Group.

Mr. Manian heads the Corporate Banking business and has oversight responsibility of the Investment Bank, Institutional Equities and Wealth Management businesses in the Group.

Mr. Manian has steered the business through its integration with ING Vysya Bank and has since then been focused on building a high quality profitable corporate franchise. Prior to leading the Corporate Bank, Mr. Manian was the President of the Consumer Banking business and also oversaw the retail brokerage business of Kotak Securities.

Mr. Manian also played a crucial role in Kotak's journey from a Non Banking Financial Company (NBFC) to a Bank and has, over his tenure at the Group, launched and grown to scale a number of businesses including the likes of the Commercial Vehicles Financing, Business Loans, Asset Reconstruction and Structured Financing.

Prior to joining Kotak Group, he had over a decade of work experience in corporate finance across Premier Auto Electric and NELCO, a TATA group company.

He is on the Board of the following companies:

Kotak Mahindra Investments Limited	Kotak Securities Limited
Kotak Mahindra Capital Company Limited	Kotak Infrastructure Debt Fund Limited

Mr. K.V.S Manian is a member of the Audit Committee of Kotak Infrastructure Debt Fund Limited.

**Mr. Gaurang Shah, Whole Time Director (Appointed w.e.f 1st November, 2019)**

(DIN : 00016660)

Mr. Gaurang Shah, Chartered Accountant and M.Com from Gujarat University, aged 58 years, is the Whole Time Director of the Bank. He has over 35 years of rich experience primarily in financial services, of which over 23 years have been with the Kotak Group.

Mr. Shah oversees the Insurance, Asset Management including Alternate Assets and Asset Reconstruction businesses and is Non-Executive Director on the boards of the insurance, asset management and international business entities, which are wholly owned subsidiaries of the Bank. Prior to this, Mr. Shah headed Group Risk Management.

Mr. Shah played a key role in building the Group's consumer banking and life insurance businesses, and has held several positions of responsibility, including Head of Retail Assets at Kotak Mahindra Bank. Mr. Shah was the Managing Director of Kotak Mahindra Life Insurance Company Ltd. During his tenure, the company became one of the first life insurance companies to break even and also became one of the most efficient users of capital. Earlier, he was also Executive Director of Kotak Mahindra Prime Limited, one of India's leading automobile finance companies.

He is on the Board of the following companies:

Kotak Mahindra Life Insurance Company Limited	Kotak Mahindra General Insurance Company Limited
Kotak Mahindra Asset Management (Singapore) Pte. Ltd.	Kotak Investment Advisors Limited
Kotak Mahindra Inc.	Kotak Mahindra (UK) Limited
Kotak Mahindra Asset Management Company Limited	

Mr. Gaurang Shah is a member of the Audit Committee of Kotak Mahindra Life Insurance Company Limited.

**Mr. C. Jayaram**

(DIN: 00012214)

Mr. C. Jayaram, B. A. (Economics), PGDM-IIM, Kolkata, aged 64 years, is the non-executive director of the Bank. He has varied experience of over 38 years in many areas of finance and business and was earlier the Managing Director of Kotak Securities Limited. Mr. Jayaram headed the wealth management business, alternative investments business including private equity funds and real estate funds and international operations for Kotak Group till his retirement in April, 2016. He was with the Kotak Group for 26 years and was instrumental in building a number of new businesses at Kotak Group. Prior to joining the Kotak Group, he was with Overseas Sanmar Financial Ltd.

He is also on the Board of the following companies:

Kotak Mahindra Asset Management Company Limited	Multi Commodity Exchange of India Limited (Shareholder Director)
Multi Commodity Exchange Clearing Corporation Limited	

Mr. C. Jayaram is a member of the Audit Committee of Kotak Mahindra Asset Management Company Limited and Multi Commodity Exchange of India Limited. He is also a member of the Stakeholders Relationship Committee of the Bank.

**Prof. S. Mahendra Dev**

(DIN: 06519869)

Prof. S. Mahendra Dev, PhD from the Delhi School of Economics, aged 62 years is currently Director and Vice Chancellor, Indira Gandhi Institute of Development Research (IGIDR), Mumbai, India. He was Chairman of the Commission for Agricultural Costs and Prices (CACP), Govt. of India, Delhi. He was Director, Centre for Economic and Social Studies, Hyderabad for 9 years during 1999 to 2008. He has done his Post-doctoral research at Yale University and was faculty member at the Indira Gandhi Institute of Development Research, Mumbai for 11 years.

He has been a member of several government committees including the Prime Minister's Task Force on Employment and Rangarajan Commission on Financial Inclusion. He has received honors for eminence in public service. He is the Chairman of the Committee on Terms of Trade on

agriculture constituted by the Ministry of Agriculture, Government of India. He was a member and Acting Chairman of the National Statistical Commission in the rank of Minister of State, Government of India. He received prestigious Malcolm Adiseshiah Award for outstanding research work on development studies. He was on the Board of Trustees of and currently is on the independent steering committee of, the International Food Policy Research Institute, Washington D.C.

He is also on the Board of Kotak Mahindra Prime Limited. Prof. Dev is the Chairman of the Stakeholders Relationship Committee of the Bank and a member of the Audit Committees of the Bank and Kotak Mahindra Prime Limited.

#### **Ms. Farida Khambata**

(DIN: 06954123)

Ms. Farida Khambata, aged 70 years, is Master of Arts in Economics from the University of Cambridge, a Master of Science in Business Management from the London Business School and a Chartered Financial Analyst and has attended the Advanced Management Program at Wharton. She was earlier with International Finance Corporation (IFC) and was a member of IFC's Management Group, the senior leadership team of IFC. In her last position at IFC she served as Regional Vice President in charge of all operations in East Asia and the Pacific, South Asia, Latin America and the Caribbean and the Global Manufacturing Cluster. Ms. Khambata joined IFC in 1986 from the World Bank where she managed pension fund assets.

She is a member on the Advisory Board of ADM CEECAT Fund. She is also on the Board of Dragon Capital Group Limited, Vietnam and Tata Sons Private Limited.

Ms. Khambata is a member of the Audit Committee of Tata Sons Private Limited.

#### **Mr. Uday Khanna**

(DIN : 00079129)

Mr. Uday Chander Khanna, aged 70 years is a Chartered Accountant by qualification. Mr. Khanna was the Non-Executive Chairman of Bata India Limited till August 2, 2019. Also, he was Managing Director & CEO of Lafarge India from July, 2005 to July, 2011 and the Non-Executive Chairman of Lafarge India from July, 2011 to September, 2014. He joined the Lafarge Group in Paris in June, 2003 as Senior Vice President for Group Strategy, after an extensive experience of almost 30 years with Hindustan Lever/Unilever in a variety of financial, commercial and general management roles both nationally and internationally. His last position before joining Lafarge was Senior Vice President - Finance, Unilever - Asia, based in Singapore. He has earlier been on the Board of Hindustan Unilever as Director - Exports, after having served as Financial Controller and Treasurer of the company. He has also worked as Vice Chairman of Lever Brothers in Nigeria and General Auditor for Unilever - North America, based in the USA. Mr. Khanna has been the past President of the Bombay Chamber of Commerce & Industry and also the Indo French Chamber of Commerce and Industry. He was the recipient of the " Ordre National du Merite" from the President of the Republic of France for his contribution in promoting Indo- French trade relations. He is a Member of the Board of Governors of The Anglo Scottish Education Society and Jt. Managing Trustee of the Indian Cancer Society. Mr. Khanna is the recipient of 'Best Independent Director' award by Asian Centre for Corporate Governance Sustainability in 2018.

He is also on the Board of the following companies:

Pfizer Limited (Independent Director)	Pidilite Industries Limited (Independent Director)
Castrol India Limited (Independent Director)	DSP Investment Managers Private Limited

Mr. Khanna is the Chairman of the Audit Committee of the Bank, Castrol India Limited and DSP Investment Managers Private Limited and Stakeholders Relationship Committees of Pfizer Limited. He is also a member of the Audit Committee of Pfizer Limited and Pidilite Industries Limited.

#### **Mr. Uday Shankar**

(DIN : 01755963)

Mr. Uday Shankar, aged 58 years is a M. Phil in Economic History from the Jawaharlal Nehru University, Delhi. He is the President, Asia Pacific for The Walt Disney Company's Direct-to-Consumer & International (DTCI) segment and the Chairman, Star & Disney India and leads the charge for Disney's transformation into a direct-to-consumer company in Asia Pacific. Prior to his current role, he was the President of 21<sup>st</sup> Century Fox, Asia & CEO of Star India. Under his leadership, Star achieved a distinct leadership in Indian television broadcasting and has also made strides in disrupting the digital landscape with the launch of Hotstar. Mr. Shankar has played a key role in shaping the media and broadcasting industry in the country, bringing reforms for the industry and its consumers. He has been at the forefront of the landmark changes in self-regulation and pushing access for consumers to digitized distribution. Mr. Shankar began his professional life as a political journalist. Prior to Star, he was the CEO and Editor of Media Content and Communications Services, which operated Star News. Mr. Shankar was also Editor and News Director of TV Today Group, where he led the launch of Aaj Tak in 2000 and Headlines Today in 2003. He is on the Board of Vidhi Centre for Legal Policy, Indian Broadcasting Foundation and Federation of Indian Chamber of Commerce and Industry (FICCI). He is also the Senior Vice President of FICCI.

He is also on the Board of Tata Sky Limited. Mr. Shankar is a member of the Stakeholders Relationship Committee of Tata Sky Limited.

**Notes:**

1. The Committee Memberships of only Audit Committee and Stakeholders Relationship Committee have been considered.
2. Pursuant to the requirement under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the category of directorship of the Bank's directors in other listed companies has been mentioned.

The following table gives the composition of Bank's Board and the number of outside directorships held by each of the Directors and the committee positions held by the Directors as on 31<sup>st</sup> March, 2020:

Name of the Director	Position	Special Knowledge / Expertise	No. of Directorships in other Companies		No. of Committee Positions held in the Bank and other Public Companies	
			Indian Public Companies	Other Indian Companies	Chairman	Member
Mr. Prakash Apte	Independent Non-Executive Chairman	Agriculture, Rural Economy & Management	3	2	2	4
Mr. Uday Kotak	Managing Director & CEO, Promoter	Banking, Finance & Management	6	2	1	1
Mr. Dipak Gupta	Joint Managing Director	Finance, IT & Management	4	-	-	3
Mr. K.V.S Manian	Whole Time Director	Banking & Finance	4	-	-	1
Mr. Gaurang Shah	Whole Time Director	Banking, Finance & Insurance	4	-	-	1
Mr. C Jayaram	Non-Executive Director	Finance, Economics & Management	3	-	-	2
Prof. S. Mahendra Dev	Independent Non-Executive Director	Agriculture & Rural Economy	1	-	1	2
Ms. Farida Khambata	Independent Non-Executive Director	Economics, Finance & Management	-	1	-	1
Mr. Uday Khanna	Independent Non-Executive Director	Business Management, Accountancy & Finance	3	2	4	2
Mr. Uday Shankar	Independent Non-Executive Director	Digital Media	1	3	-	1

**Note :** The Board believes that the above mentioned skills / competencies / expertise are required for the business of the Bank and Directors of the Bank possess these skills / competencies / expertise for it to function effectively.

**Notes:**

1. The Reserve Bank of India has approved the appointment of Mr. K.V. S Manian and Mr. Gaurang Shah as Whole Time Directors of the Bank. Mr. Manian and Mr. Shah took charge as the Whole Time Directors of the Bank with effect from 1<sup>st</sup> November 2019.
2. The Committee Memberships mentioned above are of only Statutory Committees as per Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, namely Audit Committee and Stakeholders Relationship Committee.
3. None of the Directors on the Board is a member of more than ten committees and the Chairman of more than five committees in all, the companies in which he is a Director (for this purpose the membership of Audit Committee and Stakeholders Relationship Committee have been taken into consideration). All the Directors have made disclosures regarding their membership on various committees in other companies.
4. In compliance with Regulation 24(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Prakash Apte, an independent director on the Board of the Bank has been a director on the Board of Kotak Mahindra Life Insurance Company Limited, an unlisted material Indian subsidiary of the Bank.

## BOARD MEETINGS

### Scheduling and selection of agenda items for board meetings

Dates of the board meetings are decided in advance. The board meetings are convened by giving appropriate notice after obtaining the approval of the Chairman and the Managing Director & CEO. The Board meets at least once a quarter to review the results and other items on the agenda, once a year for approval of annual budgets, strategy, and such other matters as required under the applicable laws. When necessary, additional meetings are held.

The agenda of the board meetings is drafted by the Company Secretary along with the explanatory notes and these are distributed in advance to the directors. Every Board member is free to suggest the inclusion of items on the agenda. All divisions/departments in the Bank are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussion/ approval/ decision in the board/ committee meetings.

All such matters are communicated to the Company Secretary in advance so that the same could be included in the agenda for the board meetings.

The agenda papers are prepared by the concerned officials of the respective department and are approved by the Joint Managing Director and/or Managing Director & CEO. Agenda papers are circulated to the Board by the Company Secretary. Additional items on the agenda are permitted with the permission of the Chairman and with the consent of all the directors present at the meeting.

To address specific urgent need, meetings are also convened at shorter notice. The Board also passes resolutions by circulation on need basis. Conference calls are arranged to enable the directors to discuss in detail the items to be approved by circulation and seek clarification as may be required. The Bank has been providing the directors with an option to participate in the board meetings through electronic mode.

The minutes of all the Committees of the Board of Directors of the Bank and the minutes of the meetings of the Board of Directors of the subsidiary companies of the Bank are placed before the Board.

The quarterly, half-yearly and the annual results for the consolidated entity and for the Bank standalone are first placed before the Audit Committee of the Bank and thereafter the same are placed before the Board of Directors.

A Compliance Certificate, signed by the Managing Director & CEO in respect of various laws, rules and regulations applicable to the Bank is placed before the Board, every quarter.

The Bank has put in place a post meeting follow-up, review and reporting process for the action taken on decisions of the Board. The Company Secretary submits follow-up Action Taken Report to the Board at each meeting on the compliance of the decisions/instructions of the Board.

During the year under review, twelve meetings of the Board of Directors were held on 30<sup>th</sup> April 2019, 31<sup>st</sup> May 2019, 22<sup>nd</sup> July 2019, 19<sup>th</sup> August 2019, 12<sup>th</sup> / 13<sup>th</sup> September 2019, 22<sup>nd</sup> October 2019, 20<sup>th</sup> January 2020, 29<sup>th</sup> January 2020, 10<sup>th</sup> February 2020, 12<sup>th</sup> March 2020, 17<sup>th</sup> March 2020 and 31<sup>st</sup> March 2020. The maximum time gap between any two meetings was not more than one hundred and twenty days. The average duration of the board meetings held is approximately four and half hours.

The details of directors attendance at board meetings held during the year commencing 1<sup>st</sup> April, 2019 and ending 31<sup>st</sup> March, 2020 and at the last AGM are as under:

Sr. No.	Name of the Director	Board Meetings held during tenure of the Member	Board Meetings attended during the year 2019 - 20	Whether attended last AGM held on 22 <sup>nd</sup> July 2019
1.	Mr. Prakash Apte	12	12	YES
2.	Mr. Uday Kotak	12	12	YES
3.	Mr. Dipak Gupta	12	12	YES
4.	Mr. K.V.S Manian	6	6	N.A.
5.	Mr. Gaurang Shah	6	6	N.A.
6.	Mr. C Jayaram	12	10	YES
7.	Prof. S. Mahendra Dev	12	12	YES
8.	Ms. Farida Khambata	12	11	YES
9.	Mr. Uday Khanna	12	12	YES
10.	Mr. Uday Shankar	12	9	YES

#### Note:

The Reserve Bank of India has approved the appointment of Mr. K.V. S Manian and Mr. Gaurang Shah as Whole Time Directors of the Bank. Mr. Manian and Mr. Shah took charge as the Whole Time Directors of the Bank with effect from 1<sup>st</sup> November 2019.

### Separate Meeting of Independent Directors

During the year under review, two meetings of the Independent Directors of the Bank were held on 13<sup>th</sup> September 2019 and 17<sup>th</sup> March 2020.

The Independent Directors at its meeting held on 17<sup>th</sup> March 2020 discussed the Board Evaluation Report for FY 2019 -2020. The meeting was chaired by an Independent Director and attended by all the Independent Directors of the Bank.

### Information supplied to the Board

The directors are presented with important information on operations of the Bank as well as that which requires deliberation at the highest level. Information is provided on various critical items such as annual operating plans and budgets, capital budgets, quarterly results, minutes of meetings of the Audit Committee and other committees of the Board, details of joint ventures and non-compliance, if any with regulatory or statutory guidelines or with the listing requirements etc.

Disclosures of interest are duly received from all directors and there is no potential conflict of interest in any transaction of the Bank with any directors.

### Directors' Remuneration

(Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The details of remuneration to the Executive Directors for the year ended 31<sup>st</sup> March, 2020 are as follows:

Particulars	Mr. Uday Kotak (₹ '000)*	Mr. Dipak Gupta (₹ '000)*	Mr. K.V.S Manian (₹ '000)*	Mr. Gaurang Shah (₹ '000)*
Basic	22500.00	22200.00	7755.00	7755.00
Allowances	4400.00	4400.00	1591.67	1635.42
Provident Fund	2700.00	2664.00	930.60	930.60
Superannuation	-	100.00	41.66	41.66
SARs Payout	-	-	8400.14	8984.76
Others	100.00	100.00	120.00	100.00
Number of stock options granted during the year	-	61,820	-	-

\* The amount shown above excludes gratuity payable and value of car perquisites under the Income Tax Act, 1961.

### Note:

The remuneration details of Mr. K.V.S Manian and Mr. Gaurang Shah are for the period from their date of appointment i.e. from 1<sup>st</sup> November 2019. The Stock Appreciation Rights (SARs) payout amount shown against their names pertain to SARs granted to them before they became directors.

The details of the options granted during the year, under the Kotak Mahindra Equity Option Scheme 2015, to the Directors during their tenor as Directors are as under:

Name of the Director	Date of Grant	No. of options exercised	Price Granted	Exercise Period	Options Vested	Vesting Date
Series 22/2015 of Kotak Mahindra Equity Option Scheme 2015						
Mr. Dipak Gupta	20 <sup>th</sup> May 2019	61,820	₹ 1050 per share	October 16, 2020 to January 31, 2021	30%	October 16, 2020
				October 31, 2021 to April 30, 2022	30%	October 31, 2021
				June 30, 2022 to December 31, 2022	20%	June 30, 2022
				December 31, 2022 to June 30, 2023	20%	December 31, 2022

**Note:** The above are the only stock options which have been granted during the year by the Bank to any employee at a discount to the prevailing market price on the date prior to the grant date.

Mr. Prakash Apte, Non-Executive Chairman of the Bank was paid remuneration of ₹ 25,00,000/- for the financial year ended 31<sup>st</sup> March 2020.

The Reserve Bank of India (RBI) has approved (i) the revision in remuneration to Mr. Uday Kotak and Mr. Dipak Gupta for the year 2019-20 (ii) the stock options granted (as indicated above) to Mr. Dipak Gupta (iii) appointment of and remuneration payable to Mr. K.V.S Manian and Mr. Gaurang Shah as the Whole Time Directors of the Bank and (iv) payment of remuneration of ₹ 25,00,000/- to Mr. Prakash Apte.

The details of sitting fees and commission paid to the Non-Executive Directors during the year ended 31<sup>st</sup> March 2020 are as follows:

Sr. No.	Name of the Director	Sitting fees (₹ '000)	Commission (₹ '000) *
		(Paid during the year ended 31 <sup>st</sup> March, 2020)	(Paid for the year ended 31 <sup>st</sup> March, 2019)
1.	Mr. Prakash Apte	2,160.00	250.00
2.	Mr. C. Jayaram	1,660.00	1,000.00
3.	Prof. S. Mahendra Dev	2,060.00	1,000.00
4.	Ms. Farida Khambata	1,240.00	1,000.00
5.	Mr. Uday Khanna	1,840.00	1,000.00
6.	Mr. Uday Shankar	960.00	200.00
7.	Mr. Amit Desai**	-	1,000.00

\* Refers to commission for FY 2018 -19, paid out in FY 2019 - 20.

\*\*Mr. Amit Desai retired as a Director of the Bank with effect from 17 th March 2019 on completion of eight years on the Board of the Bank, in accordance with the provisions of the Banking Regulation Act, 1949. The above commission was paid to him for the financial year ended 31<sup>st</sup> March 2019.

#### Notes:

- The Board of Directors of the Bank decided the performance bonus to be paid to the Managing Director & CEO and the Joint Managing Director for the year ended 31<sup>st</sup> March 2019 on the basis of the performance of the Bank and the fulfilment of responsibilities assigned to them and after considering the recommendations by the Nomination & Remuneration Committee. This is subject to approval of the Reserve Bank of India.
- The terms of employment of whole time directors provide for termination by mutual consent or by giving three month notice in writing. In the event of termination of employment, the liability of the Bank shall be limited to providing only the salary, retiral benefits and perquisites as prescribed by the terms of employment for a period of three months from the date of notice.
- The relevant disclosure with regard to criteria of making payments to Non-Executive Directors is given in the Director's Report.

#### COMMITTEES OF THE BOARD OF DIRECTORS

The Board has constituted several committees to deal with specific matters and delegated powers for different functional areas. These Committees monitor the activities falling within their terms of reference. Details of some of the key Committees are given below:

##### Audit Committee

The Audit Committee of the Bank comprises of three members, with any two forming the quorum. The terms of reference of the Audit Committee of the Bank are as follows:

##### Documents/Reports Review and Financial Reporting Process

- Review and update this Charter, considering regulatory requirements, business environment, etc. and place it before the Board of Directors of the Bank for its approval. The frequency of review shall be atleast once every three years.
- Oversight of the Bank's financial reporting process and the disclosure of its financial information to ensure the fair presentation of financial statements in accordance with accounting principles generally accepted in India, applicable regulatory requirements and provisions of Companies Act, 2013.
- Review the organization's annual financial statements and any reports or other financial information submitted to any regulatory body, or the public, including any certification, report, opinion, or review rendered by the independent auditors or firm of accountants.
- Review, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Compliance with accounting standards, selection of accounting policies, significant judgements, estimates and assumptions that affect reported amounts in financial statements.
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with regulatory guidelines, Securities and Exchange Board of India and other legal requirements relating to financial statements

- o Disclosure of any related party transactions
- o Approve or ratify transactions of the Bank with related parties and review significant transactions and matters related thereto. Grant of omnibus approval for related party transactions proposed to be entered into by the Bank subject to such conditions as prescribed and as amended from time to time. Related Parties to have the same meaning as provided in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time).
- o Modified opinion(s) in the draft audit report
- o Going concern assumption
- o Management discussion and analysis of financial condition and results of operations.
- Review, with the management, the quarterly financial statements / results before submission to the Board for approval.
- Reviewing, with management, the statement of uses / application of funds, wherever necessary, raised through an issue (public issue, right issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public of right issue, and making appropriate recommendations to the Board to take up steps in this matter wherever necessary.
- Review compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) at least once in a financial year and verify that the systems for internal control pertaining to the same are adequate and are operating effectively.
- Valuation of undertakings or assets of the Bank, wherever it is necessary;
- Review evaluation of internal financial controls and risk management systems.
- Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of dividend declared) and creditors.
- Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
- Review reasons for revenue leakage and approve corrective action plan and monitor them at regular interval. Monitor areas of repeat occurrences, if any and ensure immediate actions are taken to prevent such repeat occurrences of revenue leakage.
- Review the financial statements of unlisted subsidiary company/ies and more particularly the investments made by them.
- Review the key audit observations pertaining to the subsidiaries presented to the respective ACB / Board, as the case may be.
- Reviewing the utilization of loans and / or advances from / investment by the Bank in the subsidiary exceeding Rs.100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
- Review details presented to the Committee, at prescribed frequency, vide RBI circular dated 10 November 2010 and as updated from time to time.
- Discuss with independent statutory auditors significant issues raised in the Long Form Audit Report and follow up there on.

#### **Independent Statutory Auditors**

- Recommend to the Board of Directors the appointment, re-appointment, replacement and removal of the independent statutory auditors for both domestic and overseas operations, considering independence and effectiveness, terms of appointment, the fees and other compensation to be paid to the independent statutory auditors.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Approve all payments for services rendered to the statutory auditors other than as statutory auditors.
- Review and monitor, auditors' independence performance and effectiveness of audit process.
- Periodically consult with the independent statutory auditors in the absence of management about internal controls and fair presentation of financial statements in accordance with accounting principles generally accepted in India, applicable regulatory requirements.
- Discuss with the independent statutory auditors before commencement of the audit the nature and scope of the audit.
- Discuss and ascertain from the independent statutory auditors post the completion of the audit, areas of concern, if any.
- Review management letters / letters of internal control weaknesses issued by the statutory auditors.
- Provide a right to be heard to the independent statutory auditors and the key management personnel in the meetings of the Audit Committee.

**Internal Audit Department**

- Approve appointment, re-appointment, replacement and removal of the concurrent auditors and outsourced internal auditors and the fees and other compensation to be paid to them.
- Review with management, performance of internal auditors and adequacy of the internal control systems.
- Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit including Information Systems Audit.
- Discuss with internal auditors any significant findings and follow up there on.
- Review the internal audit reports relating to internal control weaknesses.
- Review the findings of any internal investigations by the internal auditors / vigilance department into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and report the matter to the Board of Directors.
- Approve, review and monitor the Risk Based Internal Audit Plan each year.
- Review appointment, removal, and performance of Head – Internal Audit and detailed organization structure.

**Whistleblowing/ Vigil mechanism**

- The Committee shall review the Bank's mechanism for its directors, employees and vendors to raise genuine concerns; whether it provides adequate safeguards against victimization of persons who use such mechanism and provides for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.

**Review Statement of deviations, if any:**

- quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32 (1) of SEBI LODR.
- annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI LODR.

**Inspections conducted by regulators**

- Read the audit inspection reports of the inspection team of Reserve Bank of India or any other regulator, approve action plans for corrective actions to be taken and monitor compliance thereof.

**Risk Management**

- Review the implementation and effectiveness of the financial and Risk Management policies and process and highlight any gaps observed to the Board of Directors.

**Process Improvement**

- Establish a process of reporting by the Management or Independent Statutory Auditor, as the case may be, to the Audit Committee with regard to any significant judgment made in preparation of the Financial Statements along with their views on appropriateness of such judgments.
- Following completion of the annual audit and internal audit plan, review separately with each of management, the independent statutory auditors and the internal auditing department any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- Review any significant disagreement among management and the independent statutory auditors in connection with the preparation of the financial statements.
- Review any significant disagreement among management and the internal audit department in connection with the observations made in the internal audit report.
- Review with Management the extent to which changes or improvements in financial or accounting practices, as approved by the Audit Committee, have been implemented.
- Perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

The Audit Committee presently consists of Mr. Uday Khanna (Chairman), Mr. Prakash Apte and Prof. S. Mahendra Dev.

All the members of the Committee are Independent Non-Executive Directors. All the members of the Committee are financially literate within the meaning of Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Uday Khanna possesses accounting and financial management expertise.

The Company Secretary acts as the Secretary to the Committee. Mr. Khanna was present at the last Annual General Meeting to answer the queries of the shareholders.

During the year, nine meetings of the Committee were held on 30<sup>th</sup> April 2019, 20<sup>th</sup> May 2019, 22<sup>nd</sup> July 2019, 23<sup>rd</sup> July 2019, 22<sup>nd</sup> October 2019, 30<sup>th</sup> October 2019, 6<sup>th</sup> December 2019, 20<sup>th</sup> January 2020 and 26<sup>th</sup> February 2020. The average time taken at the Committee meeting is approximately three and half-hours. The maximum time gap between any two meetings was within the prescribed timeframe.

The Bank has constituted a First Tier Audit Committee (FTAC) as per the guidelines issued by the Reserve Bank of India. The Committee was reconstituted on 20<sup>th</sup> January, 2020 and presently consists of four members viz., Mr. Dipak Gupta (Chairman), Mr. Jaimin Bhatt – President & Group CFO, Mr. T.V. Sudhakar, President and Head Compliance and Mr. Devang Gheewalla, President and Chief of Operations. Where the internal audit report pertains to specific businesses, the specific business head also attends the meeting. The Committee screens the matters entrusted to the Audit Committee and also the routine matters such as overseeing the programme of inspections and compliance of inspection reports so as not to burden the Audit Committee with matters of detail. During the year, 12 meetings of the Committee were held. The Committee meets for approximately four hours.

The Bank has adopted a charter of the Audit Committee of the Board of Directors which includes the purpose, composition, roles, responsibilities & duties and powers of the Audit Committee. The said Charter also includes the purpose and composition of FTAC.

### **Internal Audit framework**

Internal Audit Department (IAD) in Kotak Mahindra Bank is an independent function reporting into the Audit Committee of the Bank. It is governed by the Internal Audit Policy approved by the Board of Directors of the Bank. The said Policy defines the Independence, Reporting, Authority, Accountability and functional responsibility.

IAD has full access to the organization's records, personnel and activities to review, assess the effectiveness of risk management, controls, governance, and operations for objective & constructive recommendations for improvement.

IAD comprises of around 200 members located across five locations across India, majority of whom are qualified, viz Chartered Accountants, Certified Internal Auditors, Certified Information System Auditors and experienced Bankers. Internal Audit team members regularly attend audit and related workshops, conferences and training on specialized topics within the banking industry. The team members are encouraged and supported for acquiring additional skillsets / certifications of topical relevance.

### **Stakeholders Relationship Committee**

During the year under review, the Stakeholders Relationship Committee of the Bank was re-constituted and presently consists of four members, Prof. S. Mahendra Dev (Chairman), Mr. C. Jayaram, Mr. Uday Kotak and Mr. Dipak Gupta, with any two forming the quorum. The constitution and composition of the Committee is in accordance with the provisions of Regulation 20 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the criteria specified by the Reserve Bank of India. The Company Secretary acts as the Secretary of the Committee. The terms of reference of the Stakeholders Relationship Committee of the Bank inter alia includes the following:

1. To resolve grievances of security holders.
2. To review measures for effective exercise of voting rights by shareholders.
3. To review adherence to service standards adopted by listed entity for services rendered by R & T Agent.
4. To review measures and initiatives taken for reducing quantum of unclaimed dividend and ensuring timely receipt of dividend / annual report / statutory notices.

Ms. Bina Chandarana - Joint President & Company Secretary, functions as the Compliance Officer. Also, the Company Secretary acts as the Secretary to the Committee. Prof. S. Mahendra Dev was present at the last Annual General Meeting to answer the queries of the shareholders.

During the year, three meetings of the Committee were held on 6<sup>th</sup> August 2019, 8<sup>th</sup> November 2019 and 20<sup>th</sup> December 2019. The Committee meets for approximately half hour.

During the year under review, 29 investor complaints were received of which 3 complaints were pending as on 31<sup>st</sup> March, 2020. The pending complaints have been resolved to the satisfaction of the shareholders as on date. As on 31<sup>st</sup> March, 2020, there were no instruments of transfer of shares, pending. No penalties or strictures were imposed on the Bank by any of the Stock Exchanges, SEBI or any other statutory authority on any matter related to capital markets, during the last three years.

The Board of Directors during their meeting on 12/13<sup>th</sup> September 2019, met with a group of institutional investors, most of whom were already investors in the Bank and had detailed discussion with them on various topics such as views on global situation, emerging markets, the Bank, important factors considered by them when investing in stocks etc.

### Nomination & Remuneration Committee

The Nomination & Remuneration Committee of the Bank comprises of three members, Ms. Farida Khambata (Chairperson), Mr. Prakash Apte and Mr. C. Jayaram with any two forming the quorum. A brief description of the terms of reference of the Committee are as follows:

1. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees.
3. While formulating the policy ensure that—
  - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
4. To recommend to the Board remuneration (in whatever form payable) to senior management.

The Company Secretary acts as the Secretary to the Committee. Ms. Farida Khambata was present at the last Annual General Meeting to answer the queries of the shareholders.

During the year, four meetings of the Committee were held on 30<sup>th</sup> April 2019, 20<sup>th</sup> May 2019, 22<sup>nd</sup> July 2019 and 22<sup>nd</sup> October 2019. The Committee meets for approximately one hour.

The details of the performance evaluation criteria for Independent Directors of the Bank have been mentioned in the Directors' Report. Further, the Bank has a Remuneration policy in place, the details of which have been mentioned in the Directors' Report.

### Share Transfer and Other Matters (STOM) Committee

During the year under review, the STOM Committee of the Bank was reconstituted and presently consists of Mr. Uday Kotak (Chairman), Mr. Dipak Gupta and Mr. Gaurang Shah, with any two forming the quorum.

The terms of reference of the STOM Committee are as follows:

1. To approve transfer, transmission, transposition, name deletion, consolidation and splitting of share and debenture certificates of the Company.
2. To issue duplicate share/debenture certificates.
3. To apply for registration of the Company with various authorities of any state or Centre including GST tax authorities, income tax authorities, shops & establishment authorities, and to do or perform all matters relating to such matters.
4. To apply, in the name of and for the Company for telephone, telex, fax and other telecommunication and electrical/electronic connections and to do all matters relating to such applications.
5. To open, operate and close Bank Accounts of the Company and change the operating instructions of existing Bank Accounts of the Company.
6. To authorise persons to sign on behalf of the Company Share Certificates, Share Allotment Letters, Fixed Deposit Receipts.
7. To authorise persons to represent the Company at General Meetings of any company or cooperative society of which the Company is a shareholder/member.
8. To fix the dates for Closure of the Company's Register of Members and Debenture holders and Transfer Books of Shares or Debentures and/or fixing Record Dates, in consultation with the Stock Exchanges.
9. To authorise the opening of Securities General Ledger Account or any other account with any scheduled banks or with any department of the Reserve Bank of India.
10. To authorise persons to execute Loan Agreements, Demand Promissory Notes and any other documents as may be necessary for lending out of any line of credit sanctioned to the Company.
11. To authorise officials of the Company to sign documents for registration of motor vehicles and to do all acts and things for the transfer of any such motor vehicles.
12. To authorise employee(s) or others to execute, for and on behalf of the Company, agreements, applications, deeds, documents and any other writings in connection with the business of the Company and, if required, to issue Power of Attorney in favour of such persons for the purpose.

13. To authorise employee(s) or others to represent the Company before any Court, Tribunal, Consumer Redressal Forum or any Statutory or other Authority on any matter relating to the operations of the Company or with which the Company is in any way connected or to represent the Company generally or for any specific purpose or purposes and, if required, issue Power of Attorney in favour of such persons for the purpose.
14. To appoint or change nominees to hold shares for and on behalf of the Company in any subsidiary/associate companies.
15. To grant permission and authorise incorporation of companies, with a prefix "Kotak Mahindra" before the name.
16. To authorise the use of the Common Seal of the Company and to appoint persons to sign/countersign documents, etc. on which the Common Seal is to be affixed.
17. To approve appointment of any employee /Director of the Bank or any other person as a nominee on the Board of other companies under certain circumstances to protect the interest of the Bank's exposures / investments in such companies;
18. To approve appointment of any employee of the Bank as a part-time employee of any other company under certain circumstances to protect the interest of the Bank's exposures / investments in such companies;
19. To approve appointment of any employee /Director of the Bank or any other person as an appointee on the Board of other companies (including Section 8 companies) LLPs, firms, if so invited.
20. To carry out the following activities in respect of equity shares of erstwhile ING Vysya Bank Ltd. being rights shares held in abeyance for various reasons :
  - Allotment of shares in respect of rights shares held in abeyance and bonus entitlement thereon, after the resolution of the Court case, transmission, dispute etc. as the case may be and upon receipt of application money and other necessary documents.
  - Authorize officials of the Bank to take necessary action for credit of shares to the demat account of the concerned shareholder(s) or issue of physical share certificates as the case may be.
  - Authorize officials of the Bank to make the necessary applications to the Stock Exchanges for listing and trading of the shares so allotted, file the various regulatory returns and refund the excess share application money received, if any.
21. To authorise employee(s) to delegate authority to any other employee(s) or others in respect of any of the matters stated herein subject to it being permissible under applicable law."

During the year, four meetings of the Committee were held on 4<sup>th</sup> July 2019, 17<sup>th</sup> September 2019, 3<sup>rd</sup> December 2019 and 07<sup>th</sup> February 2020. The Committee meets for approximately thirty minutes.

#### **Committee on Frauds**

Pursuant to the directives of the Reserve Bank of India, the Bank has constituted a Committee on Frauds for exclusive monitoring and reviewing all the frauds involving amounts of ₹ 1 crore and above. The Committee presently consists of five members, Mr. Uday Kotak, Mr. Dipak Gupta, Mr. Prakash Apte, Mr. Uday Khanna and Mr. C. Jayaram.

The objectives of the Committee are to identify systemic lacunae, if any that may have facilitated perpetration of fraud and put in place measures to plug the same; identify the reasons for delays, if any, in detection, as well as in reporting to top management of the bank and RBI; monitor progress of investigations by law enforcement authorities, and recovery position; ensure that staff accountability is examined at all levels and disciplinary actions are taken timely; and review the efficacy of the remedial actions taken to prevent recurrence of frauds.

During the year, three meetings of the Committee were held on 20<sup>th</sup> May 2019, 23<sup>rd</sup> July 2019 and 30<sup>th</sup> October 2019. The Committee meets for approximately two hours.

#### **Customer Services Committee**

The Bank has, pursuant to the directives issued by the Reserve Bank of India, constituted a Customer Services Committee. During the year under review, the Committee was reconstituted and presently consists of four members viz; Prof. S. Mahendra Dev (Chairman), Mr. Uday Kotak, Mr. Dipak Gupta and Mr. K.V.S Manian. The Committee has been constituted to bring about ongoing improvements in the quality of customer services provided by the Bank. The Committee would also oversee the functioning of the Customer Service Standing Committee, compliance with the recommendations of the Committee on Procedures and Performance Audit and Public Services (CPPAPS) and also mount innovative measures for enhancing the quality of customer service and improving the level of customer satisfaction for all categories of clientele, at all times.

During the year, three meetings of the Committee were held on 6<sup>th</sup> August 2019, 8<sup>th</sup> November 2019 and 20<sup>th</sup> December 2019. The Committee meets for approximately thirty minutes.

#### **Corporate Social Responsibility Committee**

The Bank has constituted a Corporate Social Responsibility Committee pursuant to the provisions of the Companies Act, 2013. The Committee comprises of three members viz; Mr. C. Jayaram, Prof. S. Mahendra Dev and Mr. Dipak Gupta, with any two members forming the quorum. The Committee has been constituted to:

1. Formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the Bank, as laid down in Schedule VII to the Act;
2. Recommend the amount of expenditure to be incurred on the CSR activities;
3. Monitor Bank's CSR Policy and implementation of CSR projects undertaken from time to time.

During the year, four meetings of the Committee were held on 28<sup>th</sup> May 2019, 18<sup>th</sup> October 2019, 03<sup>rd</sup> February 2020 and 29<sup>th</sup> March 2020. The Committee meets for approximately two hours.

The details of the CSR activities of the Bank have been included in the Directors' Report.

#### **Committee on Promoter Dilution**

The Bank has constituted a Committee on Promoter Dilution to study and advise the Bank on the future course of action to achieve dilution of promoter holding in the Bank as directed by the Reserve Bank of India. The Committee comprises of two members viz; Mr. Prakash Apte and Mr. C. Jayaram.

#### **Management Committee**

The Bank has constituted a Management Committee to bring operational flexibility in processing of credit proposals and also to discharge other responsibilities prescribed in different RBI directives including periodical calendar of reviews. During the year under review, the Committee was reconstituted and presently consists of four members viz; Mr. Uday Kotak, Mr. Dipak Gupta, Mr. K.V.S Manian and Mr. Gaurang Shah.

During the year, two meetings of the Committee were held on 23<sup>rd</sup> July 2019 and 03<sup>rd</sup> February 2020. The Committee meets for approximately one hour.

#### **Risk Management Committee**

(Non-Board Committee)

During the year under review, the Committee was reconstituted and presently consists of five members viz; Mr. Prakash Apte (Chairman), Mr. Uday Kotak, Mr. Dipak Gupta, Mr. Gaurang Shah and Mr. Paul Parambi – Chief Risk Officer & President of the Bank. The terms of reference of the Committee are:

1. To identify, monitor and measure the risk profile of the Bank;
2. Develop policies and procedures;
3. Verify models that are used for preparing complex products;
4. Review models as development takes place in the markets and also identify new risks;
5. Monitor compliance of various risk parameters by operating departments;
6. Design stress scenarios to measure the impact of unusual market conditions and monitor variance between actual volatility of portfolio value and that predicted by risk measures; and
7. To ensure that the Bank's credit exposure to any one group or industry does not exceed the internally set limits and that the risk is prudently diversified and to specifically include cyber security.

During the year, three meetings of the Committee were held on 21<sup>st</sup> May 2019, 28<sup>th</sup> August 2019 and 27<sup>th</sup> December 2019. The Committee meets approximately for an hour.

The details of the meetings attended by the members of the respective Committees are given below:

Name of the Director	Name of the Committee								
	Audit Committee	Stakeholders Relationship Committee	Nomination & Remuneration Committee	Share Transfer and Other Matters Committee	Committee on Frauds	Customer Services Committee	Corporate Social Responsibility Committee	Management Committee	Risk Management Committee *
Mr. Prakash Apte	9/9	-	4/4	-	3/3	-	-	-	3/3
Mr. Uday Kotak	-	3/3	-	4/4	3/3	3/3	-	2/2	3/3
Mr. Dipak Gupta	-	3/3	-	4/4	3/3	3/3	4/4	2/2	3/3
Mr. K.V.S Manian	-	-	-	-	-	1/1	-	1/1	-
Mr. Gaurang Shah	-	-	-	1/2	-	-	-	1/1	3/3
Mr. C. Jayaram	-	1/3	3/4	1/2	3/3	-	4/4	1/1	-
Prof. S. Mahendra Dev	8/9	3/3	-	-	-	3/3	4/4	-	-
Ms. Farida Khambata	-	-	4/4	-	-	-	-	-	-
Mr. Uday Khanna	9/9	-	-	-	3/3	-	-	-	-
Mr. Uday Shankar	-	-	-	-	-	-	-	-	-

**Note :** The above table shows the number of meetings attended against the number of meetings held during tenure as member.

\*Risk Management Committee is not a Board Committee. In addition to above members, Mr. Paul Parambi – Chief Risk Officer & President of the Bank, was inducted as a member of the Committee w.e.f. November 11, 2019.

All the recommendations made by the committees of the Board mandatorily required to be constituted by the Bank under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were accepted by the Board.

#### Code of Conduct

The Bank has adopted a Code of Conduct which is applicable to the Board of Directors and Senior Management Personnel respectively.

Both the Code of Conduct have been posted on the website of the Bank viz URL: <https://www.kotak.com/en/investor-relations/governance/policies.html>

All the Board Members and Senior Management Personnel have affirmed compliance with these Codes. A declaration signed by the Managing Director & CEO to this effect is enclosed at the end of this Report.

#### Familiarisation programme for Independent Directors

The Bank believes in familiarizing the Independent Directors with the nature of the industry in which the Bank operates, business models and other important matters relating to Bank's business.

During the year under review, the Bank conducted a program to familiarise the new Independent Director of the Bank with the nature of the industry, business model, risk management system and technology of the Bank. Further, the Directors of the Bank also attended following programs:

- Certification Program in IT & Cyber Security conducted by the Institute for Development & Research in Banking Technology.
- Training Program for Non-Executive Directors conducted by The Centre for Advanced Financial Research and Learning.

The complete details of the familiarization programme conducted for the Independent Director and other Directors of the Bank are available on the Bank's website viz. URL: <https://www.kotak.com/en/investor-relations/governance/familiarisation-programme.html>.

The profit and loss account of the Bank and its subsidiaries include the following fees paid / payable to their respective statutory auditors:-

₹ in Crore

Entity Name	Auditor's Name	Statutory / Audit Fees	Other Matters	Total
Kotak Mahindra Bank Limited	Walker Chandio & Co LLP	2.02*	0.29	2.31
Kotak Mahindra Capital Company Limited	Deloitte Haskins & Sells LLP	0.18	-	0.18
Kotak Investment Advisors Limited	Price Waterhouse LLP	0.28	-	0.28
Kotak Mahindra, Inc.	Citrin Cooperman & Company, LLP	0.22	-	0.22
Kotak Mahindra (International) Limited	Ernst & Young LLP	0.37	0.01	0.38
Kotak Securities Limited	Deloitte Haskins & Sells LLP	1.25	0.03	1.28
Kotak Mahindra Prime Limited	Price Waterhouse Chartered Accountants LLP	0.85	0.71	1.56
Kotak Mahindra Asset Management Company Limited	S. R. Batliboi & Co. LLP	0.23	0.03	0.26
Kotak Mahindra Trustee Company Limited	V. C. Shah & Co	0.03	-	0.03
Kotak Mahindra Investments Limited	Price Waterhouse Chartered Accountants LLP	0.45	0.08	0.53
Kotak Mahindra Pension Fund Limited	Gokhale & Sathe	0.02	-	0.02
Kotak Infrastructure Debt Fund Limited	S. R. Batliboi & Associates LLP	0.07	-	0.07
Kotak Mahindra Trusteeship Services Limited	Deloitte Haskins & Sells LLP	0.04	-	0.04
Kotak Mahindra Life Insurance Company Limited	S.R. Batliboi & Associates LLP Haribhakti & Co. LLP	0.80	0.14	0.94
Kotak Mahindra (UK) Limited	Ernst and Young LLP	0.98	0.01	0.99
Kotak Mahindra Financial Services Limited	Ernst & Young	0.12	-	0.12
Kotak Mahindra General Insurance Company Limited	V.C.Shah & Co. K.S.Aiyar & Co.	0.27	0.03	0.30
IVY Product Intermediaries Limited	Deloitte Haskins & Sells LLP	0.03	-	0.03
Kotak Mahindra Asset Management (Singapore) PTE. Limited	Ernst & Young LLP	0.37	0.02	0.39
BSS Microfinance Limited	Deloitte Haskins & Sells LLP	0.12	-	0.12
<b>Total</b>		<b>8.70</b>	<b>1.35</b>	<b>10.05</b>

\*Excluding fees paid for audit of Representative Office, Overseas Branch and payment made to previous statutory auditors

The consolidated profit and loss account includes fees paid to statutory auditors of the Bank and their network firms as under:

₹ in Crore

Entity	Name of the Firm	Amount
Kotak Mahindra Bank Limited	Walker Chandio & Co LLP	2.31
<b>Total</b>		<b>2.31</b>

## General Meetings

During the last three years, the general meetings of the equity shareholders held are detailed below:

General Meetings	Day, Date and Time	Special Resolutions / Resolutions with requisite majority passed thereat
Thirty Fourth Annual General Meeting	Monday, 22 <sup>nd</sup> July 2019, 10.00 a.m at Walchand Hirachand Hall of the Indian Merchants Chamber, 4 <sup>th</sup> Floor, Churchgate, Mumbai - 400 020	<ol style="list-style-type: none"> <li>1. Special Resolution for reappointment of Mr. Prakash Apte as an Independent Director of the Bank for a second term from 18<sup>th</sup> March 2019 to 17<sup>th</sup> March 2024.</li> <li>2. Special Resolution for reappointment of Ms. Farida Khambata as an Independent Director of the Bank for a second term from 7<sup>th</sup> September 2019 to 6<sup>th</sup> September 2022.</li> <li>3. Special Resolution for borrowings/ raising of funds by the Board of Directors of the Bank ("Board") by way of issue of redeemable securities in the nature of unsecured non-convertible debentures/ bonds/ other debt securities, in Indian/ foreign currencies in the domestic and/ or overseas markets, in one or more tranches, for an amount up to Rs. 5,000 crore (Rupees Five Thousand Crore Only), for its general corporate purposes within the overall borrowing limits of the Bank, on a private placement basis in one or more tranches and series, as per the structure and on such terms and conditions as may be determined, from time to time, by the Board.</li> </ol>
Thirty Third Annual General Meeting	Thursday, 19 <sup>th</sup> July, 2018 at 4.00 p.m. at Walchand Hirachand Hall, Indian Merchants Chamber, 4 <sup>th</sup> Floor Churchgate, Mumbai - 400020	<ol style="list-style-type: none"> <li>1. Special Resolution for appointment of Mr. Prakash Apte as part-time Chairman of the Bank from 20<sup>th</sup> July 2018 till 31<sup>st</sup> December 2020.</li> <li>2. Special Resolution to issue unsecured, perpetual and/or redeemable non-convertible debentures/bonds for an amount up to ₹5000 crore.</li> <li>3. Special Resolution for alteration of Article 11 of the Articles of Association of the Bank.</li> <li>4. Special Resolution to raise funds by way of non-convertible preference shares for an amount not exceeding ₹500 crore, by way of private placement.</li> </ol>
Thirty Second Annual General Meeting	Thursday, 20 <sup>th</sup> July, 2017 at 10.30 a.m. at Walchand Hirachand Hall, Indian Merchants Chamber, 4 <sup>th</sup> Floor Churchgate, Mumbai - 400020	<ol style="list-style-type: none"> <li>1. Special Resolution for re-appointment of Prof. S. Mahendra Dev as an Independent Director of the Bank to hold office up to 14<sup>th</sup> March, 2021.</li> <li>2. Special Resolution for borrowing from time to time all such sums of money for the purpose of the business of the Bank notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Bank (apart from the temporary loans obtained or to be obtained from the bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital and free reserves, that is to say, reserves not set apart for any specific purpose, provided that the maximum amount of moneys so borrowed by the Board of Directors and outstanding shall not at any time exceed the sum of ₹ 60,000 crore (Rupees Sixty Thousand Crore Only).</li> <li>3. Special Resolution to issue unsecured, redeemable non-convertible debentures / bonds for an amount up to ₹ 5,000 crore.</li> </ol>
Extraordinary General Meeting	Tuesday, 9 <sup>th</sup> May, 2017 at 10.30 a.m. at Walchand Hirachand Hall, Indian Merchants Chamber, 4 <sup>th</sup> Floor Churchgate, Mumbai- 400020	<ol style="list-style-type: none"> <li>1. Special Resolution for increasing 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.</li> <li>2. Special Resolution for issuing equity shares, GDRs, ADRs, and/or other permissible securities convertible into equity shares or any combination thereof, in one or more tranches, up to 6,20,00,000 equity shares of ₹ 5/- each, by way of a public issue or a private placement or a rights issue, including a qualified institutions placement.</li> </ol>

Pursuant to provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and the provisions of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Bank has been providing remote e-voting facility to its members to enable them to cast their votes by electronic means on all resolutions.

### Postal Ballot

No resolutions were passed through postal ballot during the last financial year.

The Board of Directors at its meeting held on April 22, 2020 had approved the issuance of up to 6,50,00,000 (Six Crores and Fifty Lacs) Equity Shares, in one or more tranches, through a private placement, follow-on public offering ("FPO"), Qualified Institutions Placement ("QIP") or

combination thereof. Further, in accordance with the General Circular No. 14/ 2020 dated April 8, 2020 and the General Circular No. 17/ 2020 dated April 13, 2020, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid - 19" issued by the Ministry of Corporate Affairs, Government of India (the "MCA Circulars") the approval of the shareholders of the Bank for issuance of the above equity shares was obtained through postal ballot (only through the remote e-voting process).

Further, In compliance with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the provisions of Sections 108 and 110 of the Act read with the Rules and the MCA Circulars, the Bank had extended only the remote e-voting facility for its Members, to enable them to cast their votes electronically instead of submitting the postal ballot form.

The Board had appointed Ms. Rupal D. Jhaveri, Practicing Company Secretary as the Scrutinizer and Ms. Sadhana Yadav, Practicing Company Secretary & Partner in RJSY & Associates, as an Alternate Scrutinizer to Ms. Rupal D. Jhaveri, as the Scrutinizer for conducting the meeting only through the electronic voting process, in a fair and transparent manner.

Further, the Bank had engaged the services of KFin Technologies Private Limited ("KFinTech") for providing remote e-voting facilities to the Members, enabling them to cast their vote in a secure manner.

The Notice of Postal Ballot dated 22<sup>nd</sup> April 2020 along with explanatory statement and remote e-voting instructions were sent to all the Members in electronic form only on Thursday, 23<sup>rd</sup> April 2020 for recording their assent or dissent through electronic means. The voting period commenced from Saturday, April 25, 2020 (9:00 a.m. onwards) and ended on Sunday, May 24, 2020 (5:00 p.m.). Voting rights of Members were reckoned in proportion to their shares of the paid-up equity share capital of the Bank as on Friday, April 17, 2020.

The Scrutinizer had submitted her report dated 25<sup>th</sup> May, 2020 on postal ballot (through remote e-voting process).

The details of the voting pattern are given below:

Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	572,464,964	568,061,468	-	-	-	-	-
	Less : Not considered pursuant to letters dated 29 <sup>th</sup> January 2020 and 18 <sup>th</sup> February 2020 of the Reserve Bank of India.	284,850,555	280,447,059					
	Votes Considered	287,614,409	287,614,409	100.0000	287,614,409	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	<b>Total</b>			<b>287,614,409</b>	<b>100.0000</b>	<b>287,614,409</b>	<b>0</b>	<b>100.0000</b>
Public- Institutions	E-Voting	998,655,550	925,516,239	92.6762	925,516,239	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	<b>Total</b>			<b>925,516,239</b>	<b>92.6762</b>	<b>925,516,239</b>	<b>0</b>	<b>100.0000</b>
Public- Non Institutions	E-Voting	341,917,824	160,743,241					
	Less : IEPF shares not considered for voting	3,171,393	0					
	Votes Considered	338,746,431	160,731,576	47.4489	160,712,423	19,153	99.9881	0.0119
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	<b>Total</b>			<b>160,731,576</b>	<b>47.4489</b>	<b>160,712,423</b>	<b>19,153</b>	<b>99.9881</b>
<b>Total</b>		<b>1,625,016,390</b>	<b>1,373,862,224</b>	<b>84.5445</b>	<b>1,373,843,071</b>	<b>19,153</b>	<b>99.9986</b>	<b>0.0014</b>

Accordingly, the Special Resolution, as set out in the Postal Ballot Notice dated 22<sup>nd</sup> April, 2020 was passed with Requisite Majority.

#### Disclosures

- The Bank has not entered into any material financial or commercial transactions with the directors or the management or their relatives or the companies and firms etc., in which they are either directly or through their relatives interested as directors and/or partners. The Bank has not entered into any material financial or commercial transactions with its subsidiaries and other related parties as per AS-18 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 that may have potential conflict with the interest of the Bank at large.

- During the last three years, there were no penalties or strictures imposed on the Bank by the Stock Exchange(s) and/or SEBI and/or any other statutory authorities on matters relating to capital market.
- None of the directors are related to any other director.
- The Board has received declarations from the Independent Directors and its opinion the Independent Directors fulfil the conditions as specified in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.
- The Bank has adopted the Whistle Blower Policy pursuant to which employees, directors and vendors of the Bank can raise their concerns relating to the fraud, malpractice or any other untoward activity or event which is against the interest of the Bank or society as a whole. The website for reporting the above mentioned concerns is managed and hosted by an independent third party service provider who has proven expertise in this area, thereby ensuring absolute confidentiality. The Bank hereby affirms that no personnel has been denied access to the Audit Committee.
- The Bank's Policies on dealing with Related Party Transactions, determining 'material' subsidiaries and determination of materiality of events or information are available on the Bank's website viz. URL: <https://www.kotak.com/en/investor-relations/governance/policies.html>. Further, the Audit Committee reviews the Related Party Transactions of the Bank on quarterly basis.
- The Bank has obtained a certificate from Ms. Rupal Jhaveri, company secretary in practice confirming that that none of the Directors of the Bank have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority.
- The relevant disclosures in relation to the number of complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 have been mentioned in the Directors' Report of the Bank.

## SHAREHOLDERS' INFORMATION

Date of Incorporation	:	21 <sup>st</sup> November, 1985.
Registration No.	:	11-38137 TA
Corporate Identification No.	:	L65110MH1985PLC038137
Address for Correspondence		
Registered Office	:	27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai- 400 051. Tel. No. (022) 61661615 Fax No. : (022) 67132403 Website: <a href="http://www.kotak.com">www.kotak.com</a>
Contact (Nodal officer – IEPF)	:	Ms. Bina Chandarana, Joint President & Company Secretary
Registrar & Share Transfer Agent	:	<b>KFin Technologies Private Limited</b> <b>(Earlier known as Karvy Fintech Private Limited)</b> <ol style="list-style-type: none"> <li>(i) Selenium Tower B, Plot 31-32 Gachibowli, Financial District, Nanakramguda Hyderabad- 500 032 Tel No. : (040) 67162222 Fax No. : (040) 23001153</li> <li>(ii) 24/B, Raja Bahadur Compound, Ambalal Doshi Marg, Fort, Mumbai-400 023. Tel No. : (022) 66235412 / 66235406 Fax No. : (022) 66235333 Website : <a href="http://www.kfintech.com">www.kfintech.com</a></li> </ol>
Debenture Trustees		IDBI Trusteeship Services Limited (Contact Person: Mr. Sunny Nihalani, Vice President) Asian Building, Ground Floor, 17, R Kamani Marg, Ballard Estate, Mumbai – 400 001 Tel No.: (022) 40807001 Fax No.: (022) 66311776
<b>Annual General Meeting:</b>	:	
Date and Time	:	Tuesday, 18 <sup>th</sup> August 2020 at 3.00 p.m. (Indian Standard Time)
Venue	:	Through Video Conferencing / Other Audio Visual Means. Venue of meeting shall be deemed to be the Registered Office of the Bank.
Financial Year	:	1 <sup>st</sup> April to 31 <sup>st</sup> March

## INVESTOR RELATIONS

The Bank publishes consolidated and standalone results on a quarterly basis. The same are also reviewed by the Audit Committee before submission to the Board. The consolidated and standalone financial results of the Bank and its subsidiaries are prepared and posted on the website of the Bank for the current as well as last five financial years. Also, the quarterly results and earnings update are posted on the website of the Bank. Every quarter, the Managing Director & CEO, and the Joint Managing Director along with the senior management officials participate on a call with the analysts / shareholders, the transcripts of which are posted on the website of the Bank. The Bank also has dedicated personnel to respond to queries from investors.

Financial Calendar: For each calendar quarter, the financial results are reviewed and taken on record by the Board within the statutory prescribed time period. The quarterly results and the annual accounts as at 31<sup>st</sup> March are approved by the Board, after a review thereof by the Audit Committee. The Annual General Meeting to consider such annual accounts is held in the first / second quarter of the financial year.

*Stock Exchanges on which listed:*

Sr. No.	Name & Address of Stock Exchange	Market Scrip Code
1.	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 023	500247
2.	National Stock Exchange of India Limited Exchange Plaza, 5 <sup>th</sup> Floor, Bandra-Kurla Complex, Bandra, Mumbai 400 051	KOTAKBANK

The annual fees for 2020-21 have been paid to the BSE Limited and the National Stock Exchange of India Limited, where the shares of the Bank are listed.

**Trading of shares to be in compulsorily dematerialized form:** The equity shares of the Bank have been activated for dematerialisation with the National Securities Depository Limited with effect from 4<sup>th</sup> August, 1998 and with the Central Depository Services (India) Limited with effect from 26<sup>th</sup> February, 1999. Pursuant to the sub-division of the equity shares of the Bank, w.e.f. 15<sup>th</sup> September, 2010, the new ISIN is INE237A01028. Pursuant to the amendment to Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, transfer of shares held in physical form cannot be processed with effect from 1<sup>st</sup> April 2019. Investors holding shares in physical form are requested to dematerialize their existing holdings at the earliest.

The Bank issued Non-Convertible Perpetual Non – Cumulative Preference Shares (“PNCPS”) in 2018. The PNCPS were listed with National Stock Exchange of India Limited and Bombay Stock Exchange Limited w.e.f 6<sup>th</sup> August, 2018 and the ISIN is INE237A04014. These PNCPS were issued and allotted in dematerialized form.

**Investor Helpdesk:** Dividend payments, IEPF claims and all other investor related activities are attended to and processed at the office of our Registrars & Share Transfer Agents. For lodgement of any documents or for any grievances/ complaints, kindly contact KFin Technologies Private Limited (earlier known as Karvy Fintech Private Limited), contact details of which are provided elsewhere in the Report.

For the convenience of the investors, documents and complaints from the investors are accepted at the Registered Office between 9:30 a.m. to 5:30 p.m. from Monday to Friday except on bank holidays.

As advised by Securities and Exchange Board of India (“SEBI”) the Bank has designated email- id of its Compliance Officer i.e. investor.grievances@kotak.com for the purpose of registering complaints by the investors. The same has also been displayed on the website of the Bank.

Kotak Mahindra Bank Limited

Registered Office : 27BKC, C 27, G Block, Bandra Kurla Complex,  
Bandra (E), Mumbai- 400 051.  
Tel. No.: (022) 61661615  
Fax No. : (022) 67132403  
E-mail : investor.grievances@kotak.com  
Website : www.kotak.com

**Transfer to Investor Education and Protection Fund:** Pursuant to Section 124 of the Companies Act, 2013, any dividend which remains unpaid or unclaimed for a period of seven years shall be transferred by the Bank to the Investor Education and Protection Fund (“IEPF”) established by the Central Government. Further, all shares in respect of which the dividend has not been paid or claimed for seven consecutive years or more shall be transferred to the Fund.

The table given below gives the dates of dividend declaration and the corresponding dates when unclaimed dividends are due to be transferred to the Fund:

Kotak Mahindra Bank Limited:

Year	Dividend-Type	Date of Declaration	Due Date of Transfer
2012-13	Final	18 <sup>th</sup> July 2013	17 <sup>th</sup> August 2020
2013-14	Final	16 <sup>th</sup> July 2014	14 <sup>th</sup> August 2021
2014-15	Final	29 <sup>th</sup> June 2015	28 <sup>th</sup> July 2022
2015-16	Final	22 <sup>nd</sup> July 2016	21 <sup>st</sup> August 2023
2016-17	Final	20 <sup>th</sup> July 2017	19 <sup>th</sup> August 2024
2017-18	Final	19 <sup>th</sup> July 2018	18 <sup>th</sup> August 2025
2018-19	Final	22 <sup>nd</sup> July 2019	21 <sup>st</sup> August 2026

Erstwhile ING Vysya Bank Limited (eIVBL):

Year	Dividend-Type	Date of Declaration	Due Date of Transfer
2012-13	Final	25 <sup>th</sup> June, 2013	25 <sup>th</sup> July, 2020
2013-14	Final	24 <sup>th</sup> June, 2014	24 <sup>th</sup> July, 2021

Pursuant to the requirements of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules) and the subsequent various circulars / notifications issued by MCA in this regard, the Bank has transferred a total of 33,67,927 equity shares to IEPF till date. The details of such shares transferred to IEPF are available on the Bank's website viz; URL: <https://www.kotak.com/en/investor-relations/investor-information/investor-info.html>.

## SHARE PRICE DETAILS

The Monthly high and low quotation of shares traded on BSE:

Month	High	Low	Close	S&P BSE 100	Bankex
	(₹)	(₹)	(₹)		
April, 2019	1,396.95	1,318.65	1,387.05	11,868.07	33,328.45
May, 2019	1,555.45	1,370.00	1,519.70	12,044.07	35,264.03
June, 2019	1,539.50	1,451.30	1,476.60	11,909.67	34,971.86
July, 2019	1,546.80	1,439.85	1,519.10	11,210.78	32,689.44
August, 2019	1,536.00	1,422.00	1,431.70	11,139.78	30,949.72
September, 2019	1,682.40	1,399.00	1,644.35	11,580.94	32,889.09
October, 2019	1,656.20	1,549.55	1,573.15	11,999.14	33,924.81
November, 2019	1,635.00	1,541.60	1,614.40	12,142.80	36,190.99
December, 2019	1,734.35	1,600.25	1,684.50	12,236.19	36,671.50
January, 2020	1,720.00	1,576.05	1,691.05	12,082.99	35,289.35
February, 2020	1,739.95	1,615.00	1,619.65	11,292.68	33,416.19
March, 2020	1,676.45	1,000.35	1,296.35	8,668.98	22,050.02

The Monthly high and low quotation of shares traded on NSE:

Month	High (₹)	Low (₹)	Close (₹)	NIFTY 50	Nifty Bank
April, 2019	1,397.00	1,317.05	1,386.55	11,748.15	29,764.80
May, 2019	1,555.90	1,366.30	1,522.15	11,922.80	31,375.40
June, 2019	1,540.90	1,451.10	1,477.10	11,788.85	31,105.20
July, 2019	1,546.85	1,440.00	1,519.55	11,118.00	28,876.00
August, 2019	1,535.50	1,423.10	1,431.45	11,023.25	27,427.85
September, 2019	1,683.95	1,398.65	1,644.45	11,474.45	29,103.15
October, 2019	1,657.00	1,547.75	1,574.50	11,877.45	30,066.25
November, 2019	1,635.00	1,541.00	1,615.20	12,056.05	31,946.10
December, 2019	1,734.80	1,600.20	1,684.35	12,168.45	32,161.65
January, 2020	1,729.00	1,576.00	1,691.75	11,962.10	30,833.60
February, 2020	1,740.00	1,613.75	1,620.35	11,201.75	29,147.15
March, 2020	1,676.50	1,001.00	1,296.05	8,597.75	19,144.00

### SHARE HOLDING - EQUITY SHARES

Category	As on 31 <sup>st</sup> March 2020		As on 31 <sup>st</sup> March 2019	
	No. of Equity Shares Held	Percentage of Equity of Shares	No. of Equity Shares Held	Percentage of Equity Shares
<b>A. Promoters Holding</b>				
Promoters	572,464,964	29.92	572,465,964	29.99
<b>Sub-Total</b>	<b>572,464,964</b>	<b>29.92</b>	<b>572,465,964</b>	<b>29.99</b>
<b>B Non-Promoters Holding</b>				
Institutional Investors				
a. Mutual Funds & UTI	172,109,405	9.00	160,196,020	8.39
b. Banks, Financial Institutions, Insurance Companies (State / Central Govt. Institutions)	66,221,506	3.46	55,777,277	2.92
c. Foreign Institutional Investors	749,261,396	39.17	768,565,465	40.27
<b>Sub-Total</b>	<b>987,592,307</b>	<b>51.62</b>	<b>984,538,762</b>	<b>51.58</b>
<b>C. Others</b>				
a. Private Corporate Bodies	58,851,478	3.08	63,927,246	3.35
b. Indian Public including Directors & Relatives	196,393,411	10.27	197,460,120	10.34
c. NRIs/ OCBs/Foreign Bodies DR	16,197,267	0.85	16,610,745	0.87
d. Foreign Bank	32,800,000	1.71	32,800,000	1.72
e. Foreign Bodies	25,966,992	1.36	25,966,992	1.36
f. Foreign Nationals	1509	0.00	1550	0.00
g. Qualified Institutional Buyer *	10,676,177	0.56	-	-
h. NBFCs	374,981	0.02	1,561,659	0.08
i. Alternative Investment Fund	3,633,429	0.19	3,846,505	0.20
j. Clearing Members	4,914,430	0.26	6,414,483	0.34
k. IEPF Authority	3,171,393	0.17	3,160,801	0.17
<b>Sub-Total</b>	<b>352,981,067</b>	<b>18.45</b>	<b>351,750,101</b>	<b>18.43</b>
<b>Grand Total</b>	<b>1,913,038,338</b>	<b>100.00</b>	<b>1,908,754,827</b>	<b>100.00</b>

#### Notes:

- The increase in capital during the financial year 2019-20 is due to allotment of 42,83,511 equity shares of ₹ 5/- under various ESOP Schemes of the Bank.
- \* Pursuant to NSDL circular no. NSDL/POLICY/2018/0039, Qualified Institutional Buyer has been added as a separate category for the year under review.

**SHARE HOLDING – PREFERENCE SHARES**

Category	As on 31 <sup>st</sup> March 2020		As on 31 <sup>st</sup> March 2020	
	No. of Preference Shares Held	Percentage of Preference Shares	No. of Preference Shares Held	Percentage of Preference Shares
<b>A. Promoters Holding</b>				
Promoters	-	-	-	-
<b>Sub-Total</b>	-	-	-	-
<b>B Non-Promoters Holding</b>				
Institutional Investors				
a Mutual Funds & UTI	-	-	-	-
b Banks, Financial Institutions, Insurance Companies (State / Central Govt. Institutions)	-	-	-	-
c Foreign Institutional Investors	-	-	-	-
<b>Sub-Total</b>	-	-	-	-
<b>C. Others</b>				
a Private Corporate Bodies	889,735,000	88.97	889,735,000	88.97
b Indian Public including Directors & Relatives	110,265,000	11.03	110,265,000	11.03
c NRIs/ OCBs/Foreign Bodies DR	-	-	-	-
d Foreign Bank	-	-	-	-
e Foreign Bodies	-	-	-	-
f Foreign Nationals	-	-	-	-
g NBFCs	-	-	-	-
h Alternative Investment Fund	-	-	-	-
i Clearing Members	-	-	-	-
j IEPF Authority	-	-	-	-
<b>Sub-Total</b>	<b>1,000,000,000</b>	<b>100.00</b>	<b>1,000,000,000</b>	<b>100.00</b>
<b>Grand Total</b>	<b>1,000,000,000</b>	<b>100.00</b>	<b>1,000,000,000</b>	<b>100.00</b>

**SHAREHOLDING OF DIRECTORS OF THE BANK**

Name of the Director	As on 31 <sup>st</sup> March 2020		
	No. of Equity Shares Held	Percentage of Equity Shares held	Percentage of Total Shares Held
Mr. Prakash Apte	-	-	-
*Mr. Uday Kotak	566,927,100	29.63	19.46
Mr. Dipak Gupta	1,158,618	0.06	0.04
Mr. K.V.S Manian	182,244	0.01	0.01
Mr. Gaurang Shah	828,564	0.04	0.03
Mr. C. Jayaram	1,008,040	0.05	0.03
Prof. S. Mahendra Dev	-	-	-
Ms. Farida Khambata	74,000	0.00	0.00
Mr. Uday Khanna	3000	-	-
Mr. Uday Shankar	333	-	-

**Note :** \* In addition, as on 31<sup>st</sup> March 2020, Kotak Trustee Company Pvt. Ltd. holds 6,24,556 equity shares of the Bank representing 0.03 % of the paid up equity capital of the Bank ( 0.02% of the total capital of the Bank). Kotak Trustee Company Pvt. Ltd. holds these shares as trustee for USK Benefit Trust – II of which Mr. Uday Kotak is the sole beneficiary.

\*\*In addition, as on 31<sup>st</sup> March 2020, Manians Family Trust (trustee - Kotak Mahindra Trusteeship Services Limited) holds 3,65,000 equity shares of the Bank representing 0.02 % of the paid up equity capital of the Bank (0.01% of the total capital of the Bank). Mr KVS Manian is prime beneficiary of Manians Family Trust.

**Top 10 Equity Shareholders of Kotak Mahindra Bank Limited as on 31<sup>st</sup> March, 2020.**

Sr. No.	Name of the investor	Total equity shares held
1.	Uday Suresh Kotak	566,927,100
2.	Canada Pension Plan Investment Board - Managed by IM2	118,634,632
3.	Europacific Growth Fund	95,139,478
4.	Oppenheimer Developing Markets Fund	54,746,003
5.	SBI Mutual Fund	49,068,314
6.	Life Insurance Corporation of India	42,674,534
7.	Capital World Growth and Income Fund	36,412,279
8.	New World Fund Inc	35,887,114
9.	Sumitomo Mitsui Banking Corporation	32,800,000
10.	Axis Mutual Fund	28,775,245

**Top 10 Preference Shareholders of Kotak Mahindra Bank Limited as on 31<sup>st</sup> March 2020**

Sr. No.	Name of the investor	Total preference shares held
1.	Signet Chemical Corporation Private Limited	100,000,000
2.	Aditya Birla Finance Limited	70,000,000
3.	Bajaj Allianz General Insurance Company Limited-Policyholder Fund	66,000,000
4.	ICICI Lombard General Insurance Company Ltd	66,000,000
5.	VICCO Products Bombay Private Limited	68,000,000
6.	Denali Finance Private Limited	40,000,000
7.	Kotta Enterprises Limited	36,181,482
8.	Prabhanjan Multi-Trade Private Limited	33,551,338
9.	Famy Care Ltd	30,000,000
10.	Pidilite Industries Limited	30,000,000

**Distribution Schedule as on 31<sup>st</sup> March 2020**

Sr. no.	Category	Equity Shares				Preference Shares			
		No. of Holders	% To Holders	No. of Shares	% To Equity	No. of Holders	% To Holders	No. of Shares	% To Preference
1	1 – 100	240,661	72.18	5,342,188	0.28	1	1.89	100	0.00
2	101 – 200	32,131	9.64	4,817,084	0.25	-	-	-	-
3	201 – 300	17,155	5.14	4,215,718	0.22	-	-	-	-
4	301 – 400	7,849	2.35	2,821,974	0.15	-	-	-	-
5	401 – 500	5,688	1.71	2,622,476	0.14	-	-	-	-
6	501 – 1000	11,211	3.36	8,313,276	0.43	-	-	-	-
7	1001 – 2000	7,524	2.26	11,409,405	0.60	-	-	-	-
8	2001 – 3000	2,813	0.84	7,100,510	0.37	-	-	-	-
9	3001 – 4000	2,816	0.84	10,531,948	0.55	-	-	-	-
10	4001 – 5000	1,236	0.37	5,739,192	0.30	-	-	-	-
11	5001 – 10000	2,189	0.66	15,511,330	0.81	-	-	-	-
12	10,001 & Above	2,167	0.65	1,834,613,237	95.90	52	98.11	999,999,900	100.00
		<b>333,440</b>	<b>100.00</b>	<b>1,913,038,338</b>	<b>100.00</b>	<b>53</b>	<b>100.00</b>	<b>1,000,000,000</b>	<b>100.00</b>

The break-up of the shares held in physical and electronic mode as on 31<sup>st</sup> March, 2020 is given in the below mentioned table:

Equity :

Physical mode		Electronic mode	
Total Shares	% to Equity	Total Shares	% to Equity
5880471*	0.31	1,907,157,867	99.69

\* Includes 5,71,856 equity shares allotted on exercise of options by employees, for which the credit was pending as on 31<sup>st</sup> March 2020.

Preference Shares :

Physical mode		Electronic mode	
Total Shares	% to Preference	Total Shares	% to Preference
--	-	1,000,000,000	100.00

Credit Rating:

Type of instrument	Credit Rating
₹ 306 Crore Lower Tier-II Bonds (Under Basel II)* [Reduced from ₹ 516 Crore]	CRISIL AAA/Stable (Reaffirmed)
₹ 150 Crore Lower Tier-II Bonds (Under Basel II) [Reduced from ₹ 185.80 Crore]	CRISIL AAA/Stable (Reaffirmed)
₹ 1800 Crore Infrastructure Bonds	CRISIL AAA/Stable (Reaffirmed)
Fixed Deposits	FAAA/Stable (Reaffirmed)
₹ 17000 crore Certificate of Deposits	CRISIL A1+ (Reaffirmed)
₹ 500 crore Non-Convertible Perpetual Non-Cumulative Preference Shares	CRISIL AA+ (Stable) (Reaffirmed)

\* Originally issued by erstwhile ING Vysya Bank Limited

The S&P rating of the Bank for long-term instrument is BBB-/Stable and for short term instrument is A-3/Stable.

There has been no change in the credit ratings during the year.

The Bank has complied with all the mandatory and most of the non mandatory requirements of the Code of Corporate Governance stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### Compliance with Non-mandatory Requirements:

##### 1) *The Board*

The office of Non-Executive Chairman of the Bank is maintained by the Bank at its expense and all the expenses incurred in performance of his duties are reimbursed by the Bank.

##### 2) *Shareholder Rights*

The quarterly results of the Bank are published in one English and one Marathi newspaper. Further, the quarterly results are also posted on the website of the Bank viz URL: <https://www.kotak.com/en/investor-relations/financial-results.html> and on the websites of the Stock Exchanges with which the Bank is listed. Along with the quarterly results, detailed earnings updates are also given on the website of the Bank. Further, a quarterly investors'/ analysts' conference call is made to discuss the financial results and performance of the Bank and the Group, the transcripts of which are posted on the website of the Bank. The quarterly results are sent by email to those shareholders whose email Ids are registered with the Bank / Depository Participant for communication purposes. In view of the foregoing, the half-yearly results of the Bank are not sent to the shareholders individually.

##### 3) *Audit qualifications*

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

##### 4) *Separate Posts of Chairman and Managing Director & CEO*

Mr. Prakash Apte a Non-Executive Independent Director is the Chairman and Mr. Uday Kotak is the Managing Director & CEO of the Bank.

##### 5) *Reporting of Internal Auditor*

The Head - Internal Audit reports to the Audit Committee of the Board.

**Other Disclosures****(A) The Management Discussion & Analysis Report**

The Management Discussion & Analysis Report, giving an overview of the industry, the Bank's business and its financials is provided separately as a part of this Annual Report.

**(B) Means of Communication**

The Board of Directors of the Bank approves the unaudited financial results on a quarterly basis within the prescribed timeframe. The results are promptly forwarded to the stock exchanges and are published in one English and one Marathi (Regional Language) newspaper, within 48 hours of the conclusion of the Board Meeting. The results, earnings update as well as other press releases are simultaneously displayed on the Bank's website viz URL: <https://www.kotak.com/en/investor-relations/financial-results.html>. The website also displays all official news releases by the Bank from time to time as also the Earnings Updates and presentations made to investors and analysts. Further, the financial results are sent by email to those shareholders whose email Ids are registered with the Bank / Depository. The Bank also publishes its Balance Sheet and Profit and Loss Account together with the Auditors' Report in a newspaper as required in terms of Section 31 of the Banking Regulation Act, 1949 and Rule 15 of the Banking Regulation (Companies) Rules, 1949.

In accordance with, the General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 issued by Ministry of Corporate Affairs (MCA) and Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 issued by the Securities and Exchange Board of India (SEBI) in view of the prevailing situation, owing to the difficulties involved in dispatching of financial statements for the year ended 31<sup>st</sup> March, 2020, the financial statements are being sent in electronic mode only to Members whose e-mail address is registered with the Bank or the Depository Participant(s). Those Members, whose email address is not registered with the Bank or with their respective Depository Participant(s), and who wish to receive financials for the year ended 31<sup>st</sup> March 2020, can get their email address registered by following the steps as detailed in the Notice convening the AGM.

The financial results and other information filed by the Bank from time to time is also available on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited. The said stock exchanges have introduced NSE Electronic Application Processing System (NEAPS) and BSE Listing centre. Various compliances as required / prescribed under the listing Regulations are filed through these systems.

**For Kotak Mahindra Bank Limited****Prakash Apte**

Chairman

Place : Pune

Date : 30<sup>th</sup> June 2020**Uday Kotak**

Managing Director &amp; CEO

Place : Mumbai

Date : 30<sup>th</sup> June 2020**DECLARATION**

In accordance with Schedule V (D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management Personnel of the Bank have affirmed compliance to the Code of Conduct for the financial year ended 31<sup>st</sup> March, 2020.

**For Kotak Mahindra Bank Limited****Uday Kotak**

Managing Director &amp; CEO

Place : Mumbai

Date : 30<sup>th</sup> June 2020

## **Independent Auditor's Certificate on Compliance with Corporate Governance Requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

### **To the Members of Kotak Mahindra Bank Limited**

1. This certificate is issued in accordance with the terms of our engagement letter dated 22 July 2019
2. We have examined the compliance of conditions of corporate governance by **Kotak Mahindra Bank Limited** ('the Bank') for the year ended on 31 March 2020, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

### **Management's Responsibility**

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

### **Auditor's Responsibility**

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Bank has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Bank for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.
5. We have examined the relevant records of the Bank in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### **Opinion**

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Bank has complied, in all material respects, with the conditions as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended 31 March 2020.

We state that such compliance is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

### **Restriction on use**

8. This certificate is issued solely for the purpose of complying with the aforesaid Listing Regulations and should not be used, referred to or distributed for any other purpose or to any other party, without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this certificate is shown or into whose hands it may come, without our prior consent in writing. We have no responsibility to update this Certificate for any events or circumstances occurring after the date of this Certificate

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N/N500013

**Sudhir N. Pillai**

Partner

Membership No: 105782

**UDIN: 20105782AAAAGS8425**

Place: Mumbai

Date: 30 June 2020

**CERTIFICATE BY A COMPANY SECRETARY IN PRACTICE**

We hereby certify that on the basis of verification of the records of Kotak Mahindra Bank Limited ('Bank') and pursuant to Schedule V - Part C (clause (10) (i)) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, none of the directors on the board of the Bank have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

**RUPAL D JAHVERI**

Company Secretary  
FCS: 5441 CP: 4225

Place: Mumbai

Date: May 9, 2020