



TRANSCRIPT

36TH ANNUAL GENERAL MEETING

WEDNESDAY, AUGUST 25, 2021

11.00 A.M. TO 12.55 P.M. IST

- **Mr. Prakash Apte [Chairman - Kotak Mahindra Bank Limited]**

Good morning Ladies and Gentlemen. I welcome you to the 36th Annual General Meeting of our Company and our 19th AGM as a Bank. Owing to the current COVID-19 pandemic, in order to maintain social distancing norms, this AGM is being held through video conferencing in compliance with the provisions of Companies Act, 2013, and rules made thereunder, and the directions issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India from time to time. It is now 11 o'clock and we have a quorum. Hence, I call this meeting to order.

With me here, I have other board colleagues, Ms. Farida Khambata.

- **Ms. Farida Khambata [Independent Director, Kotak Mahindra Bank Limited]**

Good morning. Good to be with you all.

- **Mr. Prakash Apte**

Mr. Uday Khanna.

- **Mr. Uday Khanna [Independent Director, Kotak Mahindra Bank Limited]**

Good morning. Nice to be with all the fellow shareholders.

- **Mr. Prakash Apte**

Mr. Ashok Gulati.

- **Mr. Ashok Gulati [Independent Director, Kotak Mahindra Bank Limited]**

Good morning. Namaste to all.

- **Mr. Prakash Apte**

Mr. C. Jayaram.

- **Mr. C. Jayaram [Non-Executive Director, Kotak Mahindra Bank Limited]**

Good morning Ladies and Gentlemen.

- **Mr. Prakash Apte**

Mr. Uday Kotak.

- **Mr. Uday Kotak [Managing Director & CEO, Kotak Mahindra Bank Limited]**

Good morning, Ladies and Gentlemen.

- **Mr. Prakash Apte**

Mr. Dipak Gupta.

- **Mr. Dipak Gupta [Joint Managing Director, Kotak Mahindra Bank Limited]**

Good morning, everyone.

- **Mr. Prakash Apte**

Mr. KVS Manian.

- **Mr. KVS Manian [Whole-time Director, Kotak Mahindra Bank Limited]**

Good morning, Ladies and Gentlemen.

- **Mr. Prakash Apte**

Mr. Gaurang Shah.

- **Mr. Gaurang Shah [Whole-time Director, Kotak Mahindra Bank Limited]**

Good morning everyone and a very warm welcome.

- **Mr. Prakash Apte**

And Mr. Uday Shankar, has he been able to join? I understand Mr. Uday Shankar was facing having some connectivity issues and should join us any moment.

All the Directors are participating through video conferencing and from their residence, including the Chairperson of Audit Committee, Chairperson of Nomination and Remuneration Committee, and Chairperson of Stakeholders Relationship Committee of the Bank.

In the unlikely event of there being connectivity issues at my end, I would request Chairman of our Audit Committee, Mr. Uday Khanna, to continue with the proceedings of the Meeting until I am able to log in and connect again. Thank you.

Now apart from the Directors, we also have the representatives of M/s. Walker Chandiook & Company LLP, Chartered Accountants, our Statutory Auditors of the Bank, and Parikh & Associates, Company Secretaries, Secretarial Auditors of the Bank.

The detailed procedure to enable the Members to participate in this Meeting through VC is already available in the AGM Notice. Further, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, and the Statutory Auditors certificate for the ESOP Schemes in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, are available for inspection in electronic mode for inspection upon login at the NSDL e-voting system as well as on the Bank's website. As the AGM is being held through video conferencing, the facility for appointment of proxies by Members was not applicable and hence, the proxy register is not available for inspection.

In compliance with the regulatory requirements and owing to the difficulties involved in dispatching physical copies, the Notice of the Annual General Meeting and the Annual Report containing the Directors' Report, Auditors' Report, the Annual accounts and related documents for the year ended March 31st, 2021, have been circulated electronically to Members whose email address is

registered with the Bank or with the Depository Participants. Further, physical copies of the Annual Report will be provided to the Members who request for the same. These documents have been available to Members for some time now, and with your kind permission, I will take the Notice of the Annual General Meeting as read. The Auditors' Report issued by the Statutory Auditors and the Secretarial Auditors have no qualification, observations, adverse comments or remarks. With your permission, I will take the reports of the auditors as read.

I will now move on to a brief summary of the current economic environment and the Bank's performance in the FY 20-21.

[Chairman's Speech begins]

As all of us are aware, FY 20-21 was a year when safety and security became a top-of-the-mind phenomenon for countries, businesses, individuals, alike. The world was not prepared for this kind of risk it faced and the kind of uncertainties it had to undergo. And as a result, it has changed overnight with protecting families, lives and livelihoods taking precedence. So, the world has been forced to embrace a pace of change, effecting a seemingly instantaneous generational shift. Almost instantly, everyone is online, everything is digital and the rules of social engagement have been replaced with new behavioural traits. The ways of life have been altered irreversibly.

In response to COVID-19 challenge, India had implemented a national wide lockdown towards the end of March 2020. This had strong repercussions for an already weak economy, the combined impact of demand compression and supply disruptions led to an unprecedented decline in fixed investment, private consumption and exports, with overall GDP contracting 24.4% in Q1 of FY 20-21. With a gradual unlocking of the economy from May/June 2020, signs of stabilization appeared and real GDP growth recorded sequential upturn in Q2 FY21, and regained positive growth in Q3 FY21.

Given this sharp meltdown in economic activity during the first half of FY21 with GDP contracting at 15.9% and second half of FY21 subsequently picked up by 1.1%; FY 20-21 GDP growth came in for the full year at minus 7.3% as against 4% in FY19-20. The overall external position remains comfortable with the current account balance having turned into surplus owing to a sharper deceleration in import activity compared to exports. As per the official release, the current accounts surplus for FY 20-21 was at 0.9%. Meanwhile, the capital account surplus rose to 2.4% of GDP in FY 20-21, on account of the stronger foreign investment aided by the global accommodative policy stance. Portfolio investment recorded a net inflow of US\$ 36 billion as against an inflow of US\$ 1 billion in FY 19-20. With FDI inflows remaining buoyant at US\$ 44 billion and RBI's aggressive intervention, India's FX reserves rose by US\$ 103 billion to around US\$ 579 billion at the end of FY 20-21.

During the pandemic, while there was a rapid decline in demand, inflation readings hovered close to or above the RBI's upper limit of 6% for FY 20-21. This was owing to non-monetary factors such as supply disruption in food, higher fuel prices and increase in gold price. Overall headline CPI inflation ranged between 4.1 and 7.6%, an averaged 6.2% in FY 20-21 as against 4.8% in the previous financial year. To revive

the economy, the Government announced Atmanirbhar Bharat Package to strengthen infrastructure logistics, capacity building as well as governance and administrative reforms. The ECLGS Scheme was introduced to give relief to businesses that needed support. Further, in order to boost domestic manufacturing, growth and employment and to cut-down on import bill, the government the Production link Incentive (“PLI”) scheme that aims to give companies incentives on incremental sales from products manufactured in domestic units. The Government’s push for domestic manufacturing through extension of the PLI Scheme also complements its labour market reforms and corporate tax reduction announced earlier.

In these testing times, your Bank took steps to protect and provide relief to customers and employees. Entering the pandemic with a strong financial and technology foundation, gave your Bank the resources to support customers and employees. Although the uncertainty continues and the world and India is learning to live with COVID-19, we are confident of the economy recovering and emerging stronger.

A word about technology and digitization, the banking and financial services industry is undergoing transformative changes powered by digitization. COVID-19 has further accelerated digitization of banking with evolving customer expectations and changing behaviour experienced during the pandemic. The pandemic has brought about years of change in the way your Bank does business. Your Bank recognizes the importance of building technological capabilities focused on providing improved customer experience, increasing employee productivity, improving operational performance, capabilities for superior regulatory compliance and proactive risk management. Your Bank has further accelerated digitization in a variety of areas, Customer Experience and Digital Channels, Transactions and Payments, Productivity and Growth Initiatives, New Business Models, Future Ready Technology and Capability Building.

Coming to financials of your company, for the year ended 31st March 2021, the Group’s consolidated profit after tax was Rs. 9,990 crore, which was 16% higher than the previous year. At a standalone level, the Bank reported a profit after tax of Rs. 6,965 crore, an increase of 17% over the previous year. The Bank’s CASA ratio was at 60.4% as at 31st March 2021, as against 56.2% a year ago. A high CASA ratio significantly contributed to lowering our cost of funds. The Bank gross NPA stood at 3.25% as at March 31st 2021, and the net NPA was at 1.21%. The consolidated advances were Rs. 252,188 crore in FY 20-21 as against Rs. 249,879 crore in the previous financial year.

The Group’s subsidiaries and associates have been an important driver to our consolidated results, and they contributed over 30% to the Group’s consolidated profit after tax for FY 20-21 reflecting the diversity of our business model. All subsidiaries are 100% beneficially owned by the Bank and many of the subsidiaries including stock broking, investment banking, asset management and advisory are low capital and non-credit risk taking businesses. The second wave of COVID-19 led to an unprecedented increase in fatalities in the country and consequently increase in the death claims reported from May 2021. Due to increased claims and high

mortality related provisioning, Kotak Mahindra Life Insurance Company Limited, a subsidiary of the Bank incurred a loss for the quarter of June 30, 2021.

As regards CSR activities, your Bank continues its efforts to minimize the environmental impact of its operations by reducing waste and energy consumption in its operations. We are strengthening performance in all relevant fields of Environmental, Social Governance, including human resources, customer service, financial inclusion, data integrity and privacy, energy conservation, waste reduction, governance standards and corporate social responsibility spending. I am happy to inform you that the Corporate Social Responsibility expenditure for FY 20-21 was Rs. 143 crore for the Bank standalone and Rs. 201.2 crore at a Group level.

I am further happy to inform that your Bank was recognized by Euro Money Private Banking and Wealth Management Survey 2021 as the Best Private Bank, India and Best for Super Affluent Clients in India. Also, it was recognized i.e. the Institute has certified your Bank as a 'Great Place to Work' in 2021. Apart from this, as in the past years, your Bank has won a number of significant awards for excellence in Product & Banking Services and Information Technology.

Finally a word about the outlook for the Kotak Group. The Group believes that with sound risk management and strong capital adequacy ratio, it is well positioned to capitalize on the growth opportunities offered by India for the future. The Group aims to expand its market share in Indian financial services by increasing the customer base across the Group, and enhancing customer experience, which will lead to a higher cross-selling of products thereby contributing to the future growth and profitability. The Group will actively seek inorganic growth opportunities in the Indian financial services space. This could be in businesses or assets that enables it to expand its market share and increase the customer base.

With that, on behalf of the Board of Directors I would like to thank all the Central and State Governments, our customers, shareholders, regulators, other stakeholders for the continued trust and encouragement, sustained support and timely guidance that we have benefitted from.

Thank you all.

[Chairman's Speech concludes]

Okay, now coming to the business of this Meeting, this meeting has been convened to seek your approval for items as detailed in the Notice of the Annual General Meeting. I now request the Company Secretary, on my behalf, to briefly explain the procedure set out in the Meeting and also explain the e-voting process.

– **Ms. Avan Doomasia [Company Secretary, Kotak Mahindra Bank Limited]**

Thank you, Sir.

The first item - Item no. 1 - To receive and adopt the audited standalone financial statements of the Bank for financial year ended 31st March 2021 with the Reports of Board of Directors and Auditors.

- The second item - Item no. 2- To receive and adopt the audited consolidated financial results of the Bank for the financial year 31st March 2021, along with the report of the Auditors.

The third item – Item no.3 - To confirm payment of interim dividend on preference shares for FY 20-21.

Item no. 4 - Dividend on equity shares to be declared for FY20-21.

Item no. 5 - To consider appointment of Mr. C. Jayaram, who retires by rotation and being eligible, offers himself for reappointment.

Item no. 6 – Payment of additional fees or remuneration of Rs. 24 lakh to M/s Walker Chandiook & Company, LLP, the existing Statutory Auditors, for FY 20-21.

Item no. 7 – Re-appointment of M/s Walker Chandiook & Company, LLP, as one of the Joint Statutory Auditors of the Bank for FY 21-22.

Item no. 8 – Appointment of Price Waterhouse LLP, as one of the Joint Statutory Auditors for FY 21-22 upto FY 23-24, subject to approval of RBI every year.

Item no. 9 – Appointment of Dr. Ashok Gulati as Director and an Independent Director for his first term, for a period of 5 years, with effect from 6th March 2021.

Item no. 10 – Re-appointment of Mr. Uday Chander Khanna as an Independent Director of the Bank, for a second term of 3 years, with effect from 16th September 2021.

Item no. 11 – Material related party transactions with Infina Finance Private Limited for FY 21-22.

Item no. 12 – Material related party transactions with Mr. Uday Suresh Kotak for FY 21-22.

Item no. 13 – Issuance of Redeemable Unsecured Non-convertible Debentures/ Bonds/other Debt Securities, for an amount not exceeding Rs. 5,000 crore, on a private placement basis.

Item no. 14 – Payment of compensation by way of fixed remuneration to Non-Executive Directors (excluding the Non-Executive Part-time Chairperson), upto an amount not exceeding Rs. 20 lakh per annum, for a period of 5 years, with effect from FY 21-22.

And the last of the item

Item no. 15 – Related party transaction for payment of remuneration upto a maximum of Rs. 60 lakh per annum, to Mr. Jay Kotak, son of Mr. Uday Kotak, Managing Director & CEO, and a Key Managerial Person, who is holding an Office or Place of Profit in the Bank.

I will now take you through the voting process.

In accordance with the provisions of Section 108 of the Companies Act 2013, Rule 20 of the Companies (Management and Administration) Rules 2014, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, read with SEBI circular on e-voting facility provided by listed entities dated December 9, 2020 and the Secretarial Standard Number 2 on General Meetings, the Bank has provided e-voting facility to enable the members to cast their vote electronically on the agenda items specified in the Notice of the Annual General Meeting. The remote e-voting period commenced on August 20, 2021, and ended on August 24, 2021. Further, the Members who have not cast their vote through remote e-voting and who are participating in this Meeting can now go to the voting tab for availing e-voting facility provided by NSDL and at the same time watch the proceedings of the Meeting. E-voting facility will be open till 30 minutes after the closure of this Meeting. Thank you.

– **Mr. Prakash Apte**

Thank you, Avan.

Further, I would like to announce that Ms. Rupal D. Jhaveri, Practicing Company Secretary, has been appointed as Scrutinizer for remote e-voting and for e-voting process at the Meeting.

Before inviting questions from the Members, I now request Mr. Uday Kotak, Managing Director & CEO, to make a brief presentation on the financial highlights of the Bank and the Group's strategy and various other initiatives.

[Presentation from Mr. Uday Kotak begins]

– **Mr. Uday Kotak**

Thank you, Chairman.

A warm welcome to all our shareholders. We are making a small presentation on Kotak Mahindra Bank, its strategy, its execution as also a new world which we are all dealing with in post COVID-19 pandemic.

As you would have looked at the title of our Annual Report to the shareholders, we have titled it as 'A Never Normal World' with a shading which says it is a 'Newer – Never Normal World' as we go into the future. And interestingly we believe that the new world will embrace both the new normal and the never normal and both will co-exist as we go into the future. And the advantage of this is that in a never normal world, we are effectively creating a new planet of challenges and opportunities. And we are revisiting the whole basis of many, many items with which we, as human beings, have conducted ourselves in what was perceived by us as a normal world. Therefore, at the least, the movement of a significant part of our world is into a newer normal and there are many parts of our world which move into a never normal.

One of the interesting aspects about the never normal or the newer normal world is geography is history. We are transitioning to a world as this AGM itself demonstrates to a world where location will become increasingly irrelevant for communication

between different parts of the planet. As we go into this world, we were also going to see a very significant challenge to some of the areas like education. How do we manage education where a physical and digital world co-exist, how will it work? Frequent challenges coming out of the COVID-19 pandemic, what does it do to schooling, what does it do to the process of education which all of us have grown up with. It is also very critical to focus that in this never normal world we will need to work on both physical and social infrastructure, the very tenets of social infrastructure are also changing as we go forward. And finally sustainability is going to be the core to our future. We have taken the planet earth for granted. Climate change is a reality, and it is no longer something into the future. It is here and now. And like COVID-19 pandemic has shown us we must move ahead of the time, rather than have a situation where the crisis has landed, therefore getting to sustainable growth is going to be the core part of planet Earth, forget individual companies. In that context how does Kotak perceive itself and position itself. We continue with our core aim of building a world class financial services institution. We are very clear that at the end of about 16 to 17 months post the COVID-19 pandemic we are all getting a handle of broadly what works and what does not work in the post Covid world. And we, therefore, now feel more confident to show greater aggression and sharper execution in the days ahead. We will not shy away, dear shareholders, from taking bolder bets. And the template for growth will revolve around fundamental principles of risk and returns what is known in our terminology as risk adjusted returns. High investments in digital and technology platforms and offerings are a given.

I think we have lost it on the screen isn't it? Has the presentation gone off the screen? It is back, previous one.

Therefore, we will make significantly higher investments and we have already started doing in the areas of digital and technology platforms and offerings. We are going to see a shift in the business model which is even more customer centric driven by digital and technology for customer simplicity and convenience, and finally we believe we are well-positioned for the future. We have more than adequate capital, a nimbler balance sheet and certainly I would like to share on behalf of all us, both the Management and the Board, we would look to a significant more assertive approach to building our business.

Let's for a moment look at the response to COVID-19. There are four parts to our response to COVID-19. First is protecting communities, I mean upgradation, enhancement of medical infrastructure, access to digitally education to the underprivileged students, direct financial assistance to people impacted by COVID-19.

Protecting customers, first of all uninterrupted access, our digital platforms worked through it, our branches even in the most difficult times were working for our customers. As you know banking is an essential service and our employees took the risk to ensure that they were available for customers even at physical branches in addition to significantly increasing digital access. We alleviated financial stress for our customers by loan restructuring and also giving MSMEs facilities under ESLGS as also other stressed categories. We had our call centres and contact centres work uninterrupted. We provided cash on wheels and contactless banking.

Protecting our people while doing duty to society and customers. Our priority was saving lives. We set up a Kotak Pandemic Benevolent Policy for families of colleagues who lost their lives. Kotak VaxShield for employees and families. And put it in place especially in the months of April and May, a series of emergency response measures.

And finally in the COVID-19 pandemic, we must protect our institution. We were the first Bank to raise capital at the outbreak of the pandemic. Our Board was meeting frequently in that period, particularly April to June 2020, to assess how this will play out. The strengths in digital banking allowed customers to bank safely from home. And finally significant focus on risk management while keeping an eye on the future.

As our Chairman mentioned in his speech, our deposit franchise continues to be extremely strong and which is reflected in our CASA ratio. It is reflected in the fact that 92% of our deposits are comprised of CASA and term deposits below Rs. 5 crore. We have a unique product which is called Term Deposit Sweep which enables customers both with their monies in the saving account and current account to earn better interest through TD Sweep. 8% of our deposits is in that category, therefore, if I add CASA deposits plus TD Sweep, we have a ratio which now moves to 68% of total deposits. Our cost of savings accounts now is 3.73%.

The next chart actually is a chart which tells you how we, Kotak, has looked at lending and the co-relation between the state of the economy and the lending process. And I will take my shareholders back to 2007-08. This is prior to the global financial crisis. Friends, we had a growth rate of 42% in the lending. Then you saw, if you remember 2005-06, 2006-07, 2007-08, were the years of high growth of the Indian economy, and we have always consistently grown at a reasonable multiple of the nominal GDP of the economy. So in that year 2007-08, our lending growth rate was 42%, and then as you know in September 2008, the global financial crisis hit us. The signs of that were actually even before 2008 and we responded to it. Our growth rate in lending came down to 7% in the year 2008-09. And the moment we saw a certain level of stability come with significant action by the US FED and co-ordinated action by Central Banks and Governments around the world from a low base, the following year, we moved to a 25% growth on the lending side which went up all the way to 41%. Then you may recollect that 2013 was the year of taper tantrum, the Indian economy significantly slowed down and Real GDP went down to 5.5% in FY13. Because of the taper tantrum there was significant stress in the Indian economy, you are aware that was the beginning of the formation of the significant NPAs which the banking systems saw in the post financial crisis world. And we moderated our growth, through that period and from 41 to 33 to 24 and down to 9% growth in the year 13-14. And once again when we got comfortable with the state of the economy because finally, banks are leveraged institutions. We had disproportionately connected with the economy and the economic outcomes, we stepped on the accelerator and moved back to a 25% growth. 2016 is not a year for comparison because that's the year we acquired ING Vysya Bank in 2015-16, and that was the year, therefore the Balance Sheet had a base of not only the Bank but also the assets of ING Vysya Bank. As we cleaned up some of the asset side issues on ING Vysya Bank, on the combined Balance Sheet, our growth rate was down to 11%. Coming to the immediate period, we actually foresaw a slowing economy even prior to COVID-19, and shareholders would recollect, in the year 2019-20, India's GDP growth was

down to 4%, that is even before COVID-19. And of course, we moved into negative GDP in 2020-21, when COVID-19 hit us. We are now feeling significantly more confident and we are seeing clear signs of growth coming back and we will approach our growth strategy. One is correlating with the macro factors, because a lot of stress is connected with macro factors. But we are feeling more confident as India's GDP growth comes back whether it is 9% or 10% for this year, we will see the GDP growth. We believe we will be able to grow faster than India's nominal GDP as we go forward. However, we are also building up bottom-up capability in many segments where our market share is low and we will grow that even faster.

On areas of growth, one is mortgages. If there is one thing COVID-19 has done, it has made the home in many ways, the centre of a human's universe, even more than the office. And with our competitive advantage on low cost of funds, we are going all out to build our mortgage business. We are working towards building longer term relationship with customers which is what a home mortgage gets. Home loan journeys are being made frictionless. And quick online sanctions and easy documentation with attractive interest rates is something we will offer our customers. In the last year FY 2020-21, we crossed 10,000 crore of fresh home loan disbursements and we are seeing very positive signs in the current year.

Working towards much greater comfort in unsecured retail finance - In the period getting into COVID-19, we had concerns on unsecured retail consumer finance and we were cautious on that book. Many business models in the Covid world have been affected including on the so-called statistic models on unsecured retail finance. We now feel the time has come with a very light balance sheet on unsecured retail to now press the accelerators strategically and grow different segments of unsecured consumer finance. And you will see that in action as we go forward. So in addition to secured lending, we will focus strategically on unsecured consumer lending, as well in different segments, but most importantly we are very clear of making sure that we have a well-balanced asset portfolio without disproportionate concentration in any one segment. And we have now also got an increased focus on credit cards and non-urban segment, particularly in the area of tractor financing and construction equipment which we see as a high growth potential.

Digital and technology - 72% growth in transaction volume on mobile app YoY, 10.3x growth in UPI transactions acquired, 94% savings account transactions through digital or non-branch modes, 40% increase in monthly active users for Keya chat bot, 111% increase in monthly active users on WhatsApp banking. Our recurring deposits and FDs have a very high percentage through the digital channels, 92% of the investment accounts are sourced through mobile and net banking. We are also working on and we have just launched a 'Digifarm' app online platform for farmers for digitization the KYC for farmers and currently we have 17.8 million debit cards in force and 2.4 million credit cards. We hope to see all these numbers grow at a significantly higher percentage pace than in the past.

Our Group - Kotak Securities- 61% client acquisitions in the Trade Free Plans since its launch in November 2020 primarily digital. 95% of the accounts are opened digitally. We have a 121% growth in trading volumes through the Kotak Mobile app. On the mutual fund, 125% growth in AUM through our online mechanisms and 36% of the investor base is growing through the website. Life insurance- two thirds of total

services provided in digital mode in Q4 and digital on boarding of customers is now 95% plus. Similarly the percentage in general insurance business which is relatively a young business.

Our Chairman also mentioned about the importance of ESG which is Environmental, Social and Governance. This is now becoming centre stage globally. Therefore, whether it is renewable energy for environment, green data centres, LEED certified large office buildings, greenhouse gas emissions avoided by the Bank. On the social side, making our Company a Great Place to Work. Women now comprising of 25% of the total workforce, 1.9 million hours of training was provided to employees during the year. CSR projects aligned with United Nation's Sustainability Development Goals. 5.33 lakh beneficiaries on CSR projects, more than Rs. 200 crore expended by the Group on CSR and over 99,000 beneficiaries on education and livelihood. And of course our Bank prides itself for cutting edge governance. The Bank's Code of Conduct establishes behavioural standards for all its people. And the Board, as you can see, consists of eminent individuals having experience and expertise in a variety of fields.

I must not forget that while we have seen a significant transformation to digital, we still are also in the physical world, and maybe in the post COVID-19 era, there could be some vengeance going back into the physical world, so we should not forget it completely. And we continue to be also focused in what we call as a phigital strategy, physical plus digital. We will continue to open branches selectively and in a more measured manner, but still the growth will continue as also focusing on both in the Bank and the Group. Our distribution of branches is very well diversified with North at 30%, West at 31%, South at 31% and of course, East is at 8%. As also a fair mix between urban and rural India.

Coming to strategy, this is the key. Mind-set has to be technology at the core. And the mix of leadership also has to combine more towards digital capability. And this is where we are actively focused on in making this transformation and transition and whether it is technology or whether it is the whole digital process where we look at it, the core is looking at it customer outside-in, how do we dramatically both in horizontally and in vertical sense deepen our customer centricity, is going to be the key to our future. Outside-in look of the customer and then translating that through the help of technology is how we see the new world. It is not technology for technology sake, it is what the customers perceived and non-perceived needs are and how do we consider that customer outside-in and use technology to serve this customer base. One of our big strengths has been low cost and sustained liability based. This obviously in a low interest rate, high liquidity environment may not have the same power which it begins to have where interest rates start moving up. But if and when and I believe at some point of time the interest rates will move the advantage of a low cost liability where our CASA ratio is amongst the highest in banking is a huge competitive advantage, may not fully manifest itself when interest rates are low and liquidity is abundant. And as you know, banks are also fixed cost structures and therefore it is low cost environment on the interest rate side does not fully manifest in this long term benefits of low cost liability. Advances, we are pursuing growth as I mentioned earlier and we will continue to pursue growth on advances and we hope to demonstrate this as we go forward. Disciplined execution,

there is so many things happening, so many things changing. It is a newer world, it is a never normal world. We need to make sure that there is focus on efficiency, productivity and good use of capital. Financial inclusion is a business opportunity, we have created an internal cell which is focused on financial inclusion with purpose and passion. We also now working on significantly looking at how do we get a better mix of talent and how do we focus on a motivated workforce. As a Group, we are now overall in excess of 70,000 employees and the numbers are growing, From a broader economic point of view, where the COVID-19 pandemic has set significant challenges for employment, I am happy to report back to you that, we have been and continue to be net new employer creating jobs and livelihood for India across the length and breadth of India. And lastly, we have demonstrated in the past and we continue to be looking for inorganic growth opportunities continuously. And as I speak with you, we are looking at this as we go forward and we will do it with bolder approach, at the same time, not going away from our risk adjusted returns mind-set.

Kotak the structure - This I think, is there in our annual report of all our subsidiaries. We are a very holistic company. Unlike many others, the entire organization structure across mutual funds, the insurance businesses, securities, investment banking, international subsidiaries, NBFC subsidiaries, they are all owned by Kotak Mahindra Bank, of which you are shareholders. Therefore as shareholders, you get the benefits and advantages of not just the Bank's standalone, but the entire Group and the conglomerate and significant parts of our earnings come from these subsidiaries in addition to, of course, the performance of the Bank itself. A strong committed leadership is another hallmark of who we are. And many of our team members you see here, have had long years and at an average the top team leadership has a tenure of 20 years plus in the Group and we are very proud, we want to add new blood and at the same time are committed to building stability and sustainability, because one of the things in the world is that we need to keep in mind that financial services is a highly leveraged business. It requires stability at its core. It is systemic for our system and we have seen in many pockets in the last few years, where there has been instability and therefore at Kotak we are deeply committed to trust, stability, safety and sustainability of monies, of all our customers, that is at the heart of who we are and whatever we do, even as we aspire for growth, we will not give up the commitment to safety, stability and sustainability of the institution.

- I think the Chairman mentioned about our financial highlights, both standalone as well as consolidated. These numbers are in front of you. We are quite confident about the future as we go from here, both consolidated and standalone and as you can see, a significant part of our profits i.e. if you look at the consolidated profits versus the standalone profits, the subsidiaries contribute significantly to our total profits after tax. And we are now at a number from March 2021, which is just around the Rs. 10,000 crore profit after tax number. Of course, that means translated to pre-tax obviously higher and we look at the future with optimism subject, of course, to us not having any unplanned surprises on the COVID-19 front.

And with that, I would also like to mention our capital adequacy is amongst the highest in banking. We have a very strong capital base. The Capital Adequacy Ratio is around the 23 odd percent mark on the consolidated basis, which is back to our point about the stability and safety of this institution. The other one is we get a lot of

funds of clients, which is not the balance sheet money, but clients' money, and that money is what has also been growing consistently as of June 2021.

Our assets under management are now nearly Rs. 3.5 lakh crore, which is across very different pools which is our mutual funds, insurance, offshore funds and in addition to that, we manage wealth money which is money of our clients. Value of wealth plus priority plus investment advisory, i.e. as of 30th June 2021, sits at a number Rs. 4,04,000 crore. Therefore, that is the trust and confidence of savers and investors and people at large across India. And I would like to believe many, many Indians continue to repose faith and confidence and we will go for growth while keeping the core of sustainability, stability in mind.

And with that, I thank all the shareholders for listening to this patiently and may I now hand it back to the Chairman for the further proceedings of the meeting.

Thank you very much.

[Presentation concludes]

– **Mr. Prakash Apte**

Thank you, Uday, for elaborating on the challenges and the opportunities that are facing us and at the same time outlining our approach of Kotak Group, how we want to harvest these opportunities and articulating our readiness to deal with the challenges. Thank you.

I now invite questions from members relevant to the items in the Notice. I will call the speakers one by one. I would request all the speakers to limit their remarks to 2-3 minutes and focus on the agenda items on the AGM and preferably not repeat the items which have been already mentioned by the earlier speakers.

The first speaker is Rohit Somani. Avan, we will make sure that Mr. Somani gets access.

– **Mr. Rohit Somani [Shareholder]**

Good morning Sir, can you hear me?

– **Mr. Prakash Apte**

Good morning, Mr. Somani.

– **Mr. Rohit Somani**

Honourable Chairman, Mr. Kotak, Shanti and the other Board of Directors and my fellow shareholders. First of all thank you for giving me an opportunity to speak at the AGM and I would like to say that I have invested in Kotak because I want to create my retirement corpus. I believe the investment in Kotak will be much better than NPS or PF or anything of that sort. Sir, when you highlighted the growth market share, I have one suggestion, which is listening to the consumer. When I look at the website of Kotak there is no place by which I can access Mr. Uday Kotak's office or Ms. Shanti's office, and generally we want to reach the senior management when we have issues which are not sorted out by the artificial intelligence or FAQ. I would

strongly recommend that you have some way by which a consumer can reach to the senior most person and that will not only reduce your litigations and customer complaints but it will also increase your market share and you can be the first or the most preferred bank across India. Because today, if I have to reach Mr. Bakshi of ICICI, I have to write a registered post, so that thing, if it can be improved I am 100% sure that it will empower the Bank to get bigger market share. The second point was I am very happy to note that Kotak is a good place to work and I have got friends who are working in Kotak as General Manager, Senior Managers and AVPs, and I would say that some of them are hard pressed and not very happy with the work culture. I am not saying is what I am saying is 100% right. But I believe there is a big opportunity here to train our employees, hire right people for the right job. And also look at personal development, which is getting employees to attend workshops and lectures of people like Gaur Gopaldas, Swamy Parthasarthy, who can give a good knowledge about work life balance, because it is not always the organization, but it also depends on the individual. If he or she can change the mind-set then they become more productive at work and that is a win-win for everybody. And the last two points, Chairman Sir, is do we have any plans to unlock value by listing the subsidiaries separately? I saw the presentation of Mr. Kotak where he said that as a shareholder I get value of complete subsidiaries, but if we look at companies like Bajaj Finance, Bajaj Finserv, by listing the subsidiaries separately the wealth creation has been significantly higher. And my last request is Chairman Sir, for Mr. Kotak, if shareholders can get an opportunity to play cricket with him. And thank you very much for giving me an opportunity, I support all the resolutions, including resolution No. 15 and I am very proud of the corporate governance of this Company and I just hope that with the team all around this will continue in future. So whenever I get bonuses, I will continue to buy Kotak Mahindra shares. Thank you.

– **Mr. Prakash Apte**

Thank you, Mr. Somani. Your constructive suggestions are being noted and at the end, when after all the speakers have talked, I think Mr. Uday Kotak will respond to the various queries, thank you.

So I would now like to call Ms. Fatima Yunus Rangwala.

– **Ms. Avan Doomasia**

Sir, it is Mr. Yusuf Rangwala.

– **Mr. Prakash Apte**

Okay, sorry, Mr. Yusuf Rangwala.

– **Mr. Yusuf Rangwala [Shareholder]**

Good morning Sir, *[break in audio connection]*. our Company Secretary, she is a very hard working, madam's knowledge *(break in audio connection)*

– **Mr. Prakash Apte –**

Yeah, yeah, we can hear you, you speak.

– **Mr. Yusuf Rangwala**

Sir, your presentation was very good. Sir, when did you give the last bonus and in the next year what is the total branches we have in all over India. I just want to know because I am in Gujarat presently. what is your opinion (*break in audio connection*) our Bank is also big (*break in audio connection*). I too would like to play cricket with you. You can organize a cricket match.

– **Mr. Prakash Apte**

Thank you. Mr Rangwala, your voice is cracking.

– **Mr. Yusuf Rangwala**

Now is it okay, thank you very much, nothing more to add, my good wishes, thank you very much.

– **Mr. Prakash Apte**

Thank you very much.

– **Mr. Yusuf Rangwala**

I am in Gujarat now, in Modi's hometown.

– **Mr. Prakash Apte**

Okay, okay, thank you.

– **Mr. Yusuf Rangwala**

Jai Hind, Sir.

– **Mr. Prakash Apte**

Jai Hind.

Now I request next speaker, Mr. Rakesh Kumar Singh.

– **Mr. Rakesh Kumar Singh [Shareholder]**

Am I audible, Sir?

– **Mr. Prakash Apte**

Yes please. Yes, Mr. Singh, go ahead.

– **Ms. Avan Doomasia**

Mr. Rakesh Singh, please speak, we can hear you.

Sir, we can go on with the next speaker and we can connect with him over the phone.

– **Mr. Prakash Apte**

Okay, we can try and connect back with Mr. Rakesh Singh.

I think the next speaker is Celestine Elizabeth Mascarenhas.

– **Mrs. Celestine Elizabeth Mascarenhas [Shareholder]**

Yes, can you hear me Sir?

– **Mr. Prakash Apte -**

Yes we can hear you very clearly, please go ahead.

– **Mrs. Celestine Elizabeth Mascarenhas**

Can you see me Sir?

– **Mr. Prakash Apte**

No we cannot see you, but we can hear you very clearly. Now we can see you.

– **Mrs. Celestine Elizabeth Mascarenhas**

There are so many meetings at one time. Thank you very much. Respected Chairman- Mr. Prakash Apte, MD & CEO- Uday Kotak, other honourable directors in the virtual meet, my fellow shareholders who are participating in this virtual meet, my name is Mrs. C.E. Mascarenhas.

First of all, when I was just going in the initial stage, I found, we have 3 Udays on the board. And according to Mr. Uday Kotak, I heard him once during a presentation where he said, 'Do you know what is the meaning of Uday? It is sunrise'. So we have 2-3 sunrises on the Board. My God, we are the most lucky ones! So we can see something great happening inspite of it being very problematic, Inspite of the COVID-19, with all these disturbances in the economy; not out only economy, but all over the world. Even then, we have got the sunrise and we will really shine in this sunrise.

First, I thank the Company Secretary, Ms. Avan Doomasia and her team for sending me the e-AGM report and also registering me as a speaker on my email request and for giving me this platform to speak. Even my photo has come and I am very happy with it. Now I come to the AGM report which is good and informative. I would have loved to get a physical report, because being old, it is a trouble reading it online as we were always given a physical copy. So maybe next time I will send a written request. To some companies now I started sending an email to please send me a physical one and they do oblige. Now I come to the report. Deposits and Advances are up, PBT and PAT is up. We have performed very well. What is great is, EPS is gone up from 44.7 to 50.15. Everywhere except our NPA is not that good. It has risen to 3.3 and Net NPA has gone to 1.2. What is a little problem is the dividend Sir. Dividend is only 90 paise which is 18%. In this very difficult days with all the interest rates coming down, we look out for dividends and here we have got. Sir, never mind. What I am saying and Uday also must hear it, see, our Capital is 14,909,178 against Reserves of 83,34,55,267. So that is nearly 8 times that we are more in the reserves. So what about considering a generous bonus in view of the economic situation so

that you can help us a little bit? You do a lot of CSR work. So, you can help us by instead of 5 shares it will become 2 shares more, 7 shares. And I am not taking out, if you have 100, it will become 120. 20 we can use a little for our medicines, immunity use, and all that we can do. The whole Board is there, please think over it. I also congratulate you for the awards and accolades as given on page 21 and 22. I would not like to elaborate on it. Also, I appreciate the CSR work done in these difficult days of COVID-19 where we all witnessed real problems of our lives. And your presentation gave all those photos that is wonderful! Even the Annual Report! Now my queries Sir. We have total branches 1,604. How many are open in the last 6 months? We have very less branches as I was going through the record less branches in the east of India i.e. only 8%. Is there any thoughts of acquiring something as on inorganic growth so that you get more presence of Kotak Bank in eastern India? Sir, you can please share your thoughts on this. Second, our home loans interest is the lowest i.e. 6.65%. Sir, what is the total home loan book to the total advances? I am asking only percentage, do not give me any figures. Sir, to unlock the shareholder value, again I say, to unlock our shareholder value, we have a lot of subsidiaries as given on page 25 and 37. We have Kotak Securities, Kotak Life, Kotak General, Kotak Mutual Fund, Kotak Pension and so many more which I will not name. See, lot of companies like HDFC have unlocked. They have come up with IPOs. Even ICICI Bank also. And if you see on the other side, like L&T and all, they have unlocked and those unlocked shares have hit the sky. So why do not we do that? This market is so strong, that even today it is up. Every day it is up. So we will get a very good premium and Kotak will go up double of what it is today. The market cap will double than what it is today, because you all are very great performers. The Kotak team, I give lot of my salutes to them, they are very good performers. So you will perform and really show that we are not No. 2 but we are No. 1 in the private side. Sir, I will look out for that. Sir, the next question is, we have a well-defined whistle blowing policy and security. Sir, how many frauds were detected and in how many the frauds were the staff or agents involved? You may have some statistics definitely. Now I come to that COVID 1.0 and 2.0. In COVID 2.0, how many loan accounts were restructured? And in COVID 1.0, how many accounts were refunded the penal interest charged on the moratorium accounts (accounts which had taken the moratorium) as per the government policy? Rest, I support all the Resolutions. I would like to talk many more things, but I am cutting it short because time is short and so many other shareholders are there with us. Thank you. I wish you all very good health. I wish the full team good health. Thank you so much and may God bless you!

– **Mr. Prakash Apte**

Thank you Mrs. Mascarenhas. I am sure Avan has taken note of your request for a physical copy. It will be sent to you. Okay? Thank you.

– **Mrs. Celestine Elizabeth Mascarenhas**

– I am going to keep these shares till it becomes No. 1. And by that time I will be still more old. So I will keep it for my grandchildren.

– **Mr. Prakash Apte**

[laughs]. Thank you. I think we will move on to the next speaker Mr. R. Muralidharan.

– **Mr. R. Muralidharan [Shareholder]**

Hello, can you hear me?

– **Mr. Prakash Apte**

Yes yes. We can hear you, go ahead.

– **Mr. R. Muralidhar**

Thank you very much. Mr. Chairman, India's business leader Mr. Uday Kotak – MD & CEO, members of the Board, shareholders, distinguished guests, ladies and gentlemen, I am R. Muralidharan from Bangalore, and my DP and Client Id is IN*****_*****. First of all, my appreciation to Mr. Uday Kotak for his inspiring speech. It is indeed one of the best speeches that we have heard in the recent past. My congratulations to the entire team of directors and the management for getting various awards for the excellent performance of the Bank on different fronts. The Bank has achieved a new landmark of profit along with growth. Sir, this is yet another pandemic which has almost destroyed the economy of the world in general, and our country in particular. Despite this, our Bank has achieved amazing progress anywhere in the banking industry under our exceptional leader and great champion Mr. Uday Kotak. It is a great honour for me to participate in this big event through this video conference. Sir, let me straight come to business, I do not want to take much of your time as there are lot of other speakers are there online too. 1) There are mergers and acquisitions happening in the banking industry both in public and private sectors. What is the situation in our Bank? Please throw some light on this. 2) Our Bank has made all round growth. The share value is making interesting progress in the stock market and the reserves increasing year on year. Is this not the right time for the shareholders to get reward to bonus shares? 3) In case you are not able to issue the bonus shares, can we expect a buyback on the shares? 4) Sir, you are aware that the shareholders consists of a group of individuals, small investors, employee shareholders and more particularly, senior citizens and retired employees of your Bank. We came to know that during the pandemic, you have taken care of your employees very well. In corporate activities of your Bank in Karnataka personally called the COVID-19 affected employees and extended their support, which gave total confidence to come out of the deadly disease among your employee fraternity. 5) Sir, we understand that many of your Bank retirees have lost their life during COVID-19 and their families are now in pathetic condition. It would be great help if you extend your helping hand, besides considering their various issues at this hour of crisis. Your support to retirees on various issues during the disastrous situation will be highly appreciated. Finally, I would be failing in my duties if I do not appreciate the services rendered by your Company Secretary for the smooth conduct of this event. She has taken the initiative to personally phone me and gave me the details of how to participate in the video conferencing and gave me the allotted slot on the speaker's list and sent me the hard copy of the Annual Report on my request at the fastest speed. This is a new experience for me that a Company Secretary calling herself to shareholders individually and helping. I

congratulate you for having such a wonderful staff who brings (*break in audio connection*) back. You deserve love (*break in audio connection*).

– **Mr. Prakash Apte**

Thank you Mr. Muralidharan.

– **Mr. R. Muralidharan**

Thank you very much Sir.

– **Mr. Prakash Apte - Chairman, Kotak Mahindra Bank:**

Thank you Mr. Muralidharan. Okay, now we welcome Ganesh Laxman Shenoy.

– **Mr. Ganesh Shenoy [Shareholder]**

This is Ganesh Shenoy. Can you hear me?

– **Mr. Prakash Apte**

Yes yes we can hear you

– **Mr. Ganesh Shenoy**

Respected Hon. Chairman Shri. Prakash Apte ji, other dignitaries on the Board and my fellow shareholders, good morning to all of you. I am thankful to the Company Secretary, Ms. Avan who herself phoned and asked me whether I received the report or otherwise. I am very thankful to her and on the other hand, I welcome her also. The Annual Report was sent well in time. It is transparent, colourful and contains all the information as per the corporate governance. I once again thank the Company Secretary and her team for the same. I am glad that the information about the Bank was given by Uday Kotak. It was wonderful and it contains all the information, inner and outer. I am very much thankful to him. Sir, we are living in a day where everything is unpredictable, including our existence. In such circumstances, running a bank like ours is not a small job. I appreciate Chairman Sir. I am thankful to the Board for recommending dividend for FY2021 inspite of COVID-19. I am thankful to the company for doing excellent work in the field of CSR activities. Sir I have few questions. After demonetisation, this global pandemic Coronavirus has further added focus on digital payments. I wanted to know what are we doing on this front? 2) Beneficial is Kotak Bank's digital platform in the current times. Is our bank educating customers on do's and don'ts, please let me know. Sir, are we planning to have any new branch/ATM in our kitty? If yes, please let me know where? I wish the Bank good luck for a bright future and pray to God that the profit of the Bank shall reach the peak in due course. Sir, I support all the Resolutions proposed in today's Meeting. Thank you sir.

– **Mr. Prakash Apte**

Thank you very much. Thanks a lot. The next speaker is Lekha Satish Shah.

– **Ms. Lekha Shah [Shareholder]**

Hello, can you hear me?

– **Mr. Prakash Apte**

Yes Madam.

– **Ms. Lekha Shah**

Thank you Sir. Respected Chairman Sir, Board of directors and my fellow members, good afternoon to all of you. I am Lekha Shah from Mumbai. First of all, I am very much thankful to our Company Secretary, Avan Doomasia ji, for extending very good investor services and also sending me the AGM Notice by email well in time in such a difficult situation. So I am very grateful to our Company Secretary Avan Doomasia ji. Thank you Uday ji for such an informative and wonderful presentation. Congratulations for excellent work Sir. I am sure that our Company is able to deliver growth and increase the shareholder's value this year. Sir, I am happy to see all the good deeds you have done during this tough times. I pray to God that he always showers his blessings upon you. I would thank all the personnel of the Company for receiving awards and recognition by various firm during 2020-21. And also, our Bank is doing very well in the field of CSR activities. Sir, I would like to ask you questions. My first question is, has there been any impact of the COVID-19 2nd wave on the Bank's operations? My second question is, how is our Bank operating? Are they operating from home or are they working from the office? My third question is, are all our employees vaccinated against COVID-19? Sir, I would like to say I strongly support all the Resolutions for today's meeting and my best wishes are always with your Bank and towards its prosperity. Thank you Sir.

– **Mr. Prakash Apte**

Thank you very much Lekha madam. The next speaker is Chandulal Madanlal Choudhary. Is Mr. Choudhary there, can somebody check?

– **Ms. Avan Doomasia**

He is there, Sir.

– **Mr. Prakash Apte**

Okay. Mr. Choudhary can you speak up please?

I suggest we go to the next speaker Avan.

– **Ms. Avan Doomasia**

Yes Sir.

– **Mr. Prakash Apte**

Let us move on. If Mr. Choudhary comes back again, then we can connect him later. The next speaker is Mr. Ashok Chakravarthy. Is he available?

– **Ms. Avan Doomasia**

Yes Sir.

– **Mr. Prakash Apte**

Okay.

– **Mr. Ashok Chakravarthy [Shareholder]**

Can you hear me Sir?

– **Mr. Prakash Apte**

Yes Mr. Ashok Chakravarthy. Welcome to you.

– **Mr. Ashok Chakravarthy**

Is my audio and video clear?

– **Mr. Prakash Apte**

Yes, we can hear you, we cannot see you. But you go ahead. We are able to hear you.

– **Mr. Ashok Chakravarthy**

Sir, my name is Ashok Chakravarthy from Bangalore. Sir first of all, I wish to congratulate the Management for making achievements in all the financial parameters despite COVID-19 and the restrictions all over India Sir. I am very happy and thankful to the Management. Sir, the next subject what I wish to inform or request you is, our Chief Justice of India Shri. Ramana has recently advised all the parties and public to resolve all the cases through mediation. In this connection, what I request is, all the legal cases relating to our retired employees, maybe settled down through mediation as advised by our Chief Justice of India Sir because the cases take a very long period. Ultimately, at least I request you not to prolong the cases and to see that the case is settled at an early date because the retired senior or very senior persons and the senior citizens can enjoy whatever benefit they get out of it during their lifetime instead of their successors. What I am requesting is, the Management of this Kotak Bank, with a balance sheet size of around Rs. 4 lakh crore and also a profit of around Rs. 9,000 crore. When the Bank can provide thousands of crore providing for NPAs, the management can consider these retired employee cases at a liberal manner and settled as advised by, again I am repeating to you, the Chief Justice of India Mr. Ramana through mediation or any other methods as early as possible Sir.

– **Mr. Prakash Apte**

Yes. Mr. Charkravarthy we have noted your point. Do you have any comments on the agenda items of the AGM?

– **Mr. Ashok Chakravarthy**

I am coming to that Sir. Sir, the shareholders are also in lot of financial requirements. I am referring about what my earlier shareholders also requested i.e. Item no. 4 of

the Dividend. What I am requesting you is, because you have already declared some 0.90 paise dividend, I am requesting the Management to please consider a special COVID-19 dividend because lot of the shareholders are in many financial requirements Sir. Sir, in the next subject what I am requesting you is again, what is requested by the earlier shareholders. Please consider split of shares, because as the Management knows it, State Bank of India, ICICI Bank and Axis Bank and many other banks have split up the shares. So I am requesting the Management to see that 3 shares are issued for every 1 share. So it will automatically become a split of the shares, and also a bonus of shares sir. Sir, we are having deposit accounts at our *(break in audio connection)* branch. In this regard, in this forum I wish to inform you that the customer service of both of these branches are extremely highly satisfactory sir. And the last on the list, I am requesting you the Management to please consider to distribute the shareholders' funds to the shareholders as much as possible. In case if it is done, I am very confident that our share price will again break all-time high record Sir. Please consider my suggestions and representations as liberally as possible sir. Thank you very much to the management and the secretarial department also. Thank you very much Sir.

– **Mr. Prakash Apte**

Thank you Mr. Chakravarthy. Have a good day! The next speaker is Mr. Pranay Pramod Tayde.

– **Mr. Pranay Pramod Tayde [Shareholder]**

Hello?

– **Mr. Prakash Apte**

Yes.

– **Mr. Pranay Pramod Tayde**

Sir, is my voice audible?

– **Mr. Prakash Apte - Chairman, Kotak Mahindra Bank:**

Yes.

– **Mr. Pranay Pramod Tayde**

Hello, Namaste sir. Namaste Uday Kotak Sir. Sir, I do not have any suggestions, I just want to praise our Company for its service. I just want your blessings Sir. I just have two suggestions. When you call shareholders number wise, the other shareholders will be more attentive. The other suggestion is to Mr. Uday Kotak Sir. If you could physically send me your visiting card, I would be very very grateful to you. You to Chairman Sir. Sir, I had a question on the promoter's holding. The promoters of Kotak Bank hold 26%. It would be good if the Board thought of increasing the promoter's holding. Sir, I seek your opinion on something. In the next 5 years, how would the financial sector be? If you could tell us your views, it would be helpful for us to analyze. Thank you sir. Namaste Sir.

– **Mr. Prakash Apte**

Okay. Thank you very much. Have a good day! The next speaker is Naman Kumar. Can we have the next speaker? Can we check if Mr. Naman Kumar is there?

– **Ms. Avan Doomasia**

Sir, he is not there. We can move on to the next speaker.

– **Mr. Prakash Apte**

Okay. The next speaker is Swati Makkar. Is she there?

– **Ms. Avan Doomasia**

Ms. Swati Makkar we have given you the rights. Ma'am, you could unmute and speak please.

– **Mr. Prakash Apte**

Madam, can you speak up? She has the access right. Can somebody check? Ms. Makkar, if you having difficulty we can get back to you. Are you able to listen to me? Can you hear me?

– **Ms. Avan Doomasia**

Sir, we are trying to call the shareholder. In the meantime we can move to the next speaker.

– **Mr. Prakash Apte**

The next speaker is Sayantan Bhowmick from PineBridge Global Funds.

– **Mr. Sayantan Bhowmick [from PineBridge Global Funds - Shareholder]**

Hi, am I audible?

– **Mr. Prakash Apte**

Yes.

– **Mr. Sayantan Bhowmick**

Thank you for this opportunity. I am Sayantan Bhowmick. I represent PineBridge Investments and I would like to talk about two things. The first thing that I would like to talk about is this technology, which is already mentioned in the presentation. It is heartening to see that Kotak Mahindra Bank has been investing substantially in technology in the last few years. But however, when it comes to technology, it is my understanding that this technology has a few defining characteristics, namely, a technology tends to be relatively easy to copy. It tends to lead to monopoly, duopoly structures and that is evident from various segments like ecommerce, payment apps, operating systems, smart phones, software and so on. And it changes rapidly and sometimes provides a huge advantage to new entrants who are not bogged down by legacy systems. Given these characteristics, we as a Bank differentiate ourselves

when it comes to technology investments, and how can we ensure that we are leaders when the competition is no longer limited to just financial services companies? The second point I want to talk about is ESG. It is universally understood that institutional investors main objective and investee companies main obligation is to maximize returns per shareholder powered with the rise of responsible investing consideration such as environment, social and governance are increasingly gaining importance. ESG considerations are slowly but surely becoming an integral part of investors' fiduciary duty. ESG considerations can relate to ESG reporting or disclosures, ESG performance i.e. how is the company performing the ESG domain, and ESG score or rating. The European Union has recently come out with regulations governing the conduct of companies for environmental, social and governance related issues. The Regulations, commonly known as SFDR, have come into force as of 10th of March, 2021. The financial regulators have drafted technical standards on the parameters that companies need to disclose. This includes a set of mandatory disclosures and additional environmental and social disclosures. I would like to take this opportunity to urge the company to consider increasing our ESG related disclosures so that investors adhering to the new EU guidelines are not denied the opportunity to invest in our company. Lastly, you are seeing a lot of companies coming out with commitments in terms of being carbon neutral. Are we considering any such date or time by which we as an organization will be carbon neutral? Thank you. Thank you for this opportunity. I wish the Board and all employees of Kotak a very safe and healthy life.

– **Mr. Prakash Apte**

Thank you very much Mr. Bhowmick. Very pertinent points. We go on to the next speaker. Mr. Aspi Besania.

– **Ms. Avan Doomasia**

Sir, he is not there. We can move on and then come back to him.

– **Mr. Prakash Apte**

Okay, so the next speaker is Shailesh Mahadevia.

– **Mr. Shailesh Mahadevia [Shareholder]**

Yes sir. Sir, can you hear me and see me?

– **Mr. Prakash Apte - Chairman**

Yeah, we can hear you but we cannot see you.

– **Mr. Shailesh Mahadevia**

You will be able to see me shortly.

– **Mr. Prakash Apte**

Okay, now we can see you.

– **Mr. Shailesh Mahadevia**

Respected Chairman, distinguished Directors and Members of the Company. Sir, let me first congratulate the entire Board and Management for excellent working during 2020-21, and that working has been very well reproduced in our Annual Report. I also appreciate the care which you have taken during this COVID-19 year, not only of the employees and their family members, but also of the society at large. Sir, I appreciate your speech as the Chairman, and equally and perhaps more, the speech of Mr. Uday Kotak. It is an annual event in the capital market and everyone is eagerly awaiting. Sir, I am also one of them who is always eager, and I am extremely satisfied with his presentation. Sir, I feel highly enriched, satisfied and happy about this event. And before I proceed further, I would like to appreciate the co-operation and initiative of our Company Secretary, Avan Doomasia, who was kind enough to accommodate me as a speaker by requesting NSDL, although I was late in registering as a speaker. Sir, now I wish to put some questions with a view to increase my appreciation and with a view to increase our presentation of the Bank. Sir, my first question is regarding CSR impact. Sir, we have given how many people have got the benefit of our CSR activity. Sir, we should however try to work out what is the impact in terms of Rupee. For every Rupee spent by us, what is the number of Rupees which the society has benefitted? As it is being already done by some of the companies, for eg. Godrej Consumer, their impact was for every Re. 1, Rs. 8.67 was the advantage. Sir, that is likely to be done by Mahindra & Mahindra from the next year also. Sir, my second suggestion is regarding ESG. Sir, the Chairman and our Mr. Uday Kotak has rightly pointed out that our whole planet is in difficulty, and therefore sustainability which includes environment, society and governance are of great importance. Sir, we are giving importance to all these 3 aspects. However sir, my suggestion is that we should get our ESG report rated by rating agencies. Sir, we should also try to get ourselves listed on DJSI Index i.e. Dow Jones Sustainability Index, and you usually get the score for it. For eg. For Ultratech Cement, they are enjoying 69 marks as far as ESG is concerned. Sir, my next question is regarding our opportunities in asset reconstruction business. It appears that there is a good scope of this in view of the policy of the government, the RBI and the companies are also equally keen to offer their products. Sir, my next question is regarding digitalization. Digitalization is definitely beneficial. It is time saving, money saving and efficient. However, in the process it is also likely to create unemployment. Sir, there are two alternatives – either we skill up our employees so that they can also come to a higher standards, or some of them may lose their jobs. However, I am looking at it from the country's point of view and not necessarily only from our individual Company's point of view. And, this appears to be a problem, and since we think in terms of next 3-5 years, this problem needs to be considered by all good corporates. And I am sure you will also view this item for consideration. And Sir before I end, I would like to welcome our Independent Director Mr. Gulati, and I believe he is a great expert on rural affairs, particularly in the field of agriculture, and I believe he will make great contribution to our Bank which is looking for its progress, not only in the metropolitan towns, but also in tier 2, tier 3 cities. With this, I wish our organization every success and prosperity in the times to come, which is our way of life in any case. Thank you very much for giving me this opportunity.

– **Mr. Prakash Apte**

Thank you very much Mr. Mahadevia for your inputs. Thanks a lot. Have a good day!
Thank you.

Avan, do we have any of the other speakers now?

– **Ms. Avan Doomasia**

Chairman Sir, yes. We have got Mr. Rakesh Singh on the line. So we can start with him.

– **Mr. Prakash Apte**

Yeah. Mr. Rakesh Singh.

– **Ms. Avan Doomasia**

Mr. Rakesh Singh please go ahead.

– **Mr. Rakesh Singh [Shareholder]**

Am I audible?

– **Ms. Avan Doomasia**

Yes Sir.

– **Mr. Rakesh Singh**

Thank you sir and good afternoon ladies and gentlemen, and thank you to all respected persons, the Company Secretary, Ms. Avan Doomasia Ma'am, Non-Executive Chairman Mr. Prakash Apte Sir and the MD & CEO Mr. Uday Kotak Sir, all Board members, fellow shareholders and my dear friends. Thank you for registering me as a speaker. I am Rakesh Singh speaking from Pune. I hope all of you and your family members are safe in these COVID-19 times. I have few observations, questions and queries. In overall, the Bank is performing well. However, the Bank has contingent liabilities of Rs. 2.4 lakh crore. Earnings also include other income of Rs. 25,000 crore. Share price is below (*break in audio connection*) Promoter holding has decreased over the last 3 years by 4.03% from above 30% to 26% now. What is the reason Sir? Second, what are the Revenue and Net Profit targets for the next 5 years and 10 years and its story And the last question is, what is the Capex planning in the coming years? So these are my questions. Thank you again for allowing me to speak in the AGM. I wish a very good future growth of the Bank. Happy Independence Day and best wishes for all the festivals!

– **Mr. Prakash Apte**

Thank you, Mr. Singh. All the best to you! Thank you.

Avan, any other speaker now?

– **Ms. Avan Doomasia**

Chairman Sir yes. We have Mr. Chandulal Madanlal Choudhary now, speaker no. 8.

– **Mr. Prakash Apte**

Yeah. Mr. Chandulal Choudhary?

– **Mr. Chandulal Madanlal Choudhary [Shareholder]**

Can you hear me?

– **Mr. Prakash Apte**

Yeah.

– **Mr. Chandulal Madanlal Choudhary**

Respected Chairman, MD & CEO and Board of Directors, good afternoon to you all.

– **Mr. Prakash Apte**

Good afternoon.

– **Mr. Chandulal Madanlal Choudhary**

I and my wife both have accounts in your Bank since about 3 years, which we opened after closing 3-4 other bank accounts. We have two separate accounts and both of us are shareholders of the Bank as well. The Bank has offered us credit card, debit card for our use, which we are using very cautiously and satisfactorily, barring some technical issues sometimes which are resolved promptly. We appreciate the digitized modes introduced in banking and securities system with utmost safety. Keep it up! Improvement is unending! We believe to see the Bank reaching new heights in the next few years also. With this, I wish you all the best. That is all. Thank you.

– **Mr. Prakash Apte**

Thank you very much. Thanks a lot Mr. Choudhary.

Avan?

– **Ms. Avan Doomasia**

Sir, we have speaker no. 14, Mr. Aspi Besania.

– **Mr. Prakash Apte**

Okay. Mr. Aspi Besania, please go ahead. Mr. Besania, can you hear us?

– **Ms. Avan Doomasia**

Sir I think there is an audio problem at his end.

– **Mr. Prakash Apte**

I think we should proceed.

– **Mr. Aspi Besania [Shareholder]**

Hello, I have been unmuted by the moderator.

– **Mr. Prakash Apte**

Okay.

– **Mr. Aspi Besania**

Sir, the moderator is very slow.

– **Mr. Prakash Apte**

Good afternoon Mr. Besania.

– **Mr. Aspi Besania**

Chairman Sir, I am Aspi Besania from Mumbai. Sir, I am a shareholder right from the IPO days. And in future I would like you to give in the Annual Report, supposing Rs. 1 lakh was invested in the IPO, what is the value now? Because such things are circulating on WhatsApp for Wipro and Infosys. Then why not our Bank? I would request the Company Secretary to send it to me sir so that I can put it on all the groups. There are so many groups that I am a member of. Atleast our Bank would be highlighted how much capital appreciation you have given. As per the Annual Report also, our market cap has doubled in the last 5 years, which is excellent! And in spite of COVID-19, our profits are more or less the same. Sir, but the only thing is that our NPAs are increasing quite a lot, which you have to control now.

– **Mr. Prakash Apte**

Yeah.

– **Mr. Aspi Besania**

Again, this Retail portion, for the full year the profit has reduced, but in the 1st quarter there was a loss. Sir, how do you see growth coming from Retail and where do you see growth coming from in the current year – Corporate, Retail, MSME or from the Treasury? Sir, thank you and all the best!

– **Mr. Prakash Apte**

Thank you very much Mr. Besania. Thanks a lot.

Avan, is there any other speaker? I think we have covered all now.

– **Ms. Avan Doomasia**

Yes sir, Mr. Naman Kumar and Ms. Swati Makkar, but they are having some connectivity problem again. Sir, just give us a minute please, we are trying to contact them.

– **Mr. Prakash Apte**

Okay.

– **Ms. Avan Doomasia**

Sir, Swati Makkar is joining in.

– **Mr. Prakash Apte**

Yeah.

– **Ms. Avan Doomasia**

Ms. Swati Makkar, please go ahead.

– **Mr. Prakash Apte**

Cannot hear them.

– **Ms. Avan Doomasia**

Sir, Mr. Naman Kumar and Ms. Swati Makkar are joining in together. They have joined already, but I think they are not able to hear us. Hello? Mr. Naman Kumar, Ms. Swati Makkar, can you hear us?

– **Mr. Prakash Apte**

They can speak up and we can check whether we can hear them. Are they unmuted?

– **Ms. Avan Doomasia**

Yes Sir, they have been unmuted.

– **Mr. Prakash Apte**

Maybe we have to reconnect.

– **Ms. Avan Doomasia**

Sir, it has got disconnected.

– **Mr. Prakash Apte**

I suggest we go ahead.

– **Ms. Avan Doomasia**

Yes sir.

– **Mr. Prakash Apte**

Okay. I think I would like to thank all the speakers for their remarks, inputs, comments and queries. I will now request Mr. Uday Kotak, our CEO to respond to some of these points. Uday?

– **Mr. Uday Kotak**

Thank you shareholders, we appreciate the inputs and queries which you have asked. I will try and cover across different points, the various questions and

suggestions the shareholders have made and try and cover the ground. If there is anything which needs further clarification, our Secretarial department is fully available, as also our senior executives on any specific matters even after the AGM.

So first of all, I think the big focus is on ESG and CSR. I completely share the views expressed by the shareholders regarding the importance of a company moving in that direction and at a reasonable speed. There are various parameters, measurements, standards which are coming around in the area of ESG. We have got a very focused group now within Kotak Mahindra Bank looking at the ESG initiatives and the areas where Kotak Mahindra Bank can continue to improve. It is an area which I genuinely believe will make a big difference as investors get more and more focused on it. I also am of the firm conviction that sustainability and doing good are crucial for doing well. Simultaneously, the importance of governance, looking at the broader societal commitment in this fast changing world which is creating new challenges while creating new opportunities are some which we as a responsible and responsive institution will constantly be responding. So rest assured shareholders, ESG is top of our mind and top of our execution as we go forward.

The question with reference to CSR is, we are consistently increasing our CSR amounts which are natural as our profits have gone up. So we have expended as a group more than Rs. 200 crore a year. And this amount, God willing, as our profits go up, we will be doing more. The point on CSR impact is noted, and we need to make sure that the parameters by which we measure this impact are accurate. Because, very often, we have a situation where, if an impact measurement is done, we need to ensure validation of that impact, because it is very easy to put out a number. But we will keep that in mind.

The second big area which has been an area of focus is the changing world of digital, and here our focus is clear – Customer In. And, when we are looking at Customer In, we are not looking at ourselves just as a bank. We are looking at ourselves as a customer centric company delivering value to customers, our benchmarks are not just banks, it is including non-banks. Therefore, essentially three parts – customer wow, customer engagement and deepening and of course, ensuring that we are going out there and consistently supporting this customer in the customer's journey. Making the customer's journey better for the customer in the future.

Next question was on COVID-19 related actions by Kotak Mahindra Bank and the impact. Frankly, I think COVID 2.0 was far more challenging than COVID 1.0. It led to serious dislocation, particularly in the months of April and May. We have declared our results for our life insurance subsidiary where we had significantly higher mortality of our policy holders which has been reflected in our June quarter results. Fortunately, post COVID 2.0, the situation seems to be getting under control, and let us get more and more Indians vaccinated and also our employees. I am happy to share in that context the number of employees who have been vaccinated at Kotak Mahindra Bank. We are constantly getting data from our employees. And as I speak with you, we have got data of totally 82.5% of our employees, out of which 80% are vaccinated. There is another data of 6% of our employees who could not take the vaccination due to medical reasons. And these are all at least one dose, because there is an 84 day period between the 1st and the 2nd dose, and we are actively encouraging and supporting our employees' vaccination process. And I would like to

have more than 90% ratio in the next few months, hopefully both vaccination 1 and 2. I must also share that many of our employees, because of the requirement of essential services, our branches remained open and we had them attend the offices. Currently we have allowed employees, especially in the non-branch area which is offices, we have given both employees and business divisions the flexibility to decide between how many of them come to work and how many of them work from home. So we have kept it very flexible and we have not done any forced decisions as of now. And we believe that the situation continues to be fluid and flexibility is the need of the hour.

On NPAs, I would like to share that our approach to accounting and recognition is extremely conservative, which is something which has been our process and practice for a long time. We will continue with that practice. And especially for the past, the fact that we were less exposed to unsecured retail consumer, has made the impact on our stress much lower than what it would have been if our percentages on unsecured retail were higher. As we speak in COVID 2.0, the stress has also gone into semi-urban and rural India, and some segments, particularly in retail microfinance as also commercial vehicles, have had a very rough time in the months of April, May, June, especially in that first quarter. However, we would like to believe that the NPA situation will improve and we will be at the cutting-edge of having a pretty well controlled approach to loan stress.

I will now also give you some specific points on which questions were asked. One is, with the listing of the subsidiaries. At this stage, there is no plan to list the subsidiaries. The view of the Bank is that the Bank's shareholders own 100% of the subsidiaries and there is significant value in these subsidiaries, and none of the subsidiaries need capital, nor does the Bank need capital.

Second, there was a question on buyback. The Indian regulation on buyback makes it impossible for any Bank to be able to do buyback in India unlike the global regulations. Since most banks have debt to equity ratio which is higher than 2 and the buyback regulations in India allow buybacks only for debt to equity ratios of 2 or less.

The other question which did come was on promoter shareholding, why it has come down from 30% to around 26%. The reason for that is to meet the RBI requirements of 26% promoter shareholding which had to be achieved by August 2020, which the Bank has satisfactorily achieved in that regulatory requirement.

There were questions with reference to mortgages. Mortgages as a percentage of our advances as of March 2021, is 24% of our total advances of which home loans are about 14%. We have been careful in opening new branches during the COVID-19 period, and in the 6 months ending June 2021 we have opened 9 branches. Our refund of interest on interest between phase 1 and phase 2 of the moratorium is about Rs. 123 crore of refund of interest.

Restructuring on COVID-19 cases - 6,506 Covid cases amounting to Rs. 121 crore.
MSME - 443 cases amounting to Rs. 313 crore.

A question was asked about an investor who would have invested Rs. 1 lakh in the IPO. Assuming he subscribed to all the rights issues post that, Rs. 1 lakh investing in the IPO would be worth Rs. 37 crore today.

If there are any other queries, I think I am sure our Company Secretary and the team would be happy to take it separately. But I once again thank all the shareholders for the questions asked, and I will hand it back to the Chair. Thank you.

– **Mr. Prakash Apte**

Thank you Uday. I think that is nicely covering most of the points which are raised by the shareholders.

As there are no further questions, I will now proceed further.

I would like to thank all the Members for participating in the Meeting through video conferencing. I would also like to thank all the Directors of the Bank for their participation in the Meeting. I now authorize any Whole-time Director of the Bank or the Company Secretary to declare the result of the voting through e-voting after the process is complete and the results have been certified by the scrutinizer. The combined result of the remote e-voting and e-voting will be communicated to the stock exchanges within 48 hours of the close of the Meeting. The members are further requested to note that the results declared along with the Scrutinizer's Report shall also be placed on the Bank's website and the website of NSDL at www.evoting.nsdl.com. Further, the recorded transcript of this Meeting shall also be placed on the Bank's website.

Ladies and Gentlemen, I now declare this Meeting closed. The e-voting facility will remain open till 30 minutes after the closure of this Meeting for the shareholders who attending the Meeting but have not voted earlier. Thank you.

Thank you very much to one and all. Thanks a lot.

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