MINUTES OF THE TWENTY NINTH ANNUAL GENERAL MEETING OF KOTAK MAHINDRA BANK LIMITED HELD ON WEDNESDAY, JULY 16, 2014 AT 11.30 A.M. AT NATIONAL STOCK EXCHANGE OF INDIA LIMITED, DR. R.H. PATIL AUDITORIUM, EXCHANGE PLAZA, GROUND FLOOR, BANDRA-KURLA COMPLEX, BANDRA (E), MUMBAI – 400 051.

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

And 87 Members, present in person or by proxy.

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

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

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

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

The Chairman then proceeded with the business of the Meeting.

The Chairman stated that the theme for this year's Annual Report represented the way ahead for Kotak. The words 'Bigger, Bolder, Better' reflected a sensible business philosophy.

He then briefed the members on the broader economic and banking scenario stating that throughout 2013-14, fundamentals for the Indian economy remained weak, with large external account deficits, low economic growth and high inflation. Economic growth remained below 5 % for the second year in a row, with the manufacturing sector declining by 0.7 % in 2013-14, compared to the low growth of 1.3 % in the previous year. The current account deficit in the balance of payments, which had hit a record level of 4.8% of GDP in 2012-13, continued high in the first half of 2013-14, triggering a wide array of measures by the government and Reserve Bank to reduce gold imports and increase net capital inflows.

In the course of the year, the CPI inflation came to be adopted as the nominal anchor for monetary policy formulation. Headline CPI inflation remained sticky through most part of 2013-14, beginning at 9.4% in April 2013 and rising to a peak of 11.2% in November 2013 mainly on account of a sharp increase in the vegetable prices. Subsequently, with food inflation moderating, Headline CPI also came off its peak to close 2013-14 at 8.3%. The drop in the inflation was however not as strong in the case of ex-food and fuel CPI. Core CPI was at 8.3% in April 2013 and moderated only to 7.8% by the end FY2014.

With the overall macro-fundamentals remaining weak and external accounts under severe stress, Indian financial markets had to withstand sharp doses of volatility in 2013-14, in-turn affecting the performance of the banking sector. Talk of a withdrawal of Quantitative Easing by the US Federal Reserve led to a drop in capital inflows and sharp depreciation pressure for the Indian Rupee. After being in a narrow range in the early part of 2013-14, the rupee's dollar exchange rate depreciated sharply from 55.6per $ in late May 2013 to nearly 69 per $ in end August. This steep decline prompted extraordinary monetary policy action from the RBI. Measures were undertaken in July to cap allocation of funds under the LAF for each individual bank to 0.5% of NDTL, while the rate for the Minimum Standing Facility (MSF) was increased sharply by 200 bps to 10.25%. Effectively, the operative rate for borrowing from RBI became the MSF rate, higher by 300 bps over the previous operative rate, the Repo rate.

In response to the unconventional monetary policy tightening, both the deposit and the lending rates of the banking sector firmed by September 2013 with the median deposit rate of the Scheduled Commercial Banks higher by 35 bps over the year. Government security yields hardened with the 10-year G-sec yield peaking at around 9.24% in August 2013. The unconventional monetary policy measures of the RBI along with steps to increase the foreign exchange resources through the FCNR(B) swap window in early September (as well as the earlier measures to reduce gold imports) helped stabilize markets and reduce the external account deficit. Thereafter, though the RBI gradually rolled back the exceptionally tight monetary measures, the challenges on the inflation front led it to continue with its strict vigil and increase the repo rate from 7.25% to 8.00% by end January.

Despite the weak growth momentum and the sustaining inflationary pressures in the economy, he was happy to report that the Bank had done well in 2013-14.

The Consolidated Profit after tax grew by 12.6% to Rs.2465 crore. In 2013-14, the financing business contributed 83% of the consolidated profit. The group had seen a steady and sustainable shift in its overall business mix to relatively stable lending businesses from capital markets-driven revenue streams.

The consolidated earnings per share was Rs 32.1 for 2013-14 as against Rs 29.3 for 2012-13. The consolidated total income was Rs 17,268 crore during 2013-14 as against Rs 15,950 crore in 2012-13.

Profit before tax of the Bank for 2013-14 was Rs 2,273 crore as against Rs 1,972 crore for 2012-13. Profit after tax of the Bank was Rs 1,503 crore in 2013-14 compared with Rs 1,361 crore in 2012-13.

The Bank's capitalization levels remain one of the strongest in the industry with overall CRAR at 18.8% with Tier I ratio of 17.8% as at 31st March 2014 as compared to CRAR at 16% with Tier I ratio of 14.7% as at 31st March 2013. The capitalization levels were augmented with issuance of Rs 1296 crore equity in a preferential allotment to Caladium Investment Pte Ltd. (earlier known as Heliconia Pte. Ltd.), an affiliate of Government of Singapore Investment Corporation Pte. Ltd. in the Bank.

The deposits of the Bank grew by 15.8% from Rs 51,029 crore to Rs 59,072 crore as at 31st March 2014. A significant feature during the year was savings deposits crossing the 10,000 crore mark, with an increase of 38.8% from Rs 7,268 crore to Rs 10,087 crore.

The Bank added 167 branches during 2013-14 taking the total branch count to 605 branches and 1,103 ATM's across 354 locations as on 31st March 2014.

He further stated that the Auditor's Report contained "Emphasis of Matter" in accordance with ICAI announcement in respect of accounting dispensation by RBI on creation of Deferred Tax Liability on special reserve under Section 36(1) (viii) of the Income Tax Act and requested the Members to note that Auditors Report was not qualified in respect of this matter. The Bank had disclosed and quantified impact of such dispensation in Note 32 of Schedule 18A of its financial statement.

He was extremely happy to announce that during that year Mr. Uday Kotak, Executive Vice Chairman and Managing Director won the Ernst & Young World Entrepreneur of the Year 2014 award. He also mentioned the various significant awards won by the Bank.

The Group's results for the financial year demonstrated the potential for good growth by the Bank despite a weak macroeconomic environment. With the recent election of a single party majority to Parliament, the prospects for higher economic growth had strengthened. The Kotak Group believed that with high capital adequacy ratio and sound risk management, the India of the future offered good opportunities for rapid growth of the Bank. Last week's Union Budget had posed fresh challenges and opportunities. As in the past, the Bank will meet the challenges and seize the opportunities.

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

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

Kotak Mahindra Bank Limited * Mumbai

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

1. Mr. Ratanchand Surana
2. Mr. Ghanshyam Bharucha
3. Mr. Dinesh G. Bhatia
4. Mrs. Ashalata Maheshwari
5. Mr. Michael Martins
6. Mr. Yusuf Rangwala
7. Mr. Adi K. Nalladaru
8. Mr. Ronald Fernandes
9. Mr. P.K. Agnihotri
10. Mr. Kirti Shah
11. Mr. Nimish Kenia
12. Mr. Vinod Aggarwal

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

1. Reason for increase in NPA provisioning and other accounts related queries.
2. Low rate of dividend.
3. Any issue faced by the Auditor for 'Emphasis of Matter'.
4. Appreciated Bank for profits.
5. Investment in Insurance business and the performance of the business.
6. BKC premises whether owned or leased.
7. Details of the shareholders complaints received.
8. Expected growth in CASA in the financial year 2014-2015.
9. Which segment generated maximum revenue – Consumer or Wholesale Banking?
10. Whether any plans for IPO/Bonus issue?
11. Impact of the recent budget on the Bank's performance.
12. Women Director to be appointed under the new Companies Act.
13. Details of write-off, legal expenses, Bad debts and Frauds.
14. Status on reduction in the promoter shareholding in terms of the RBI directive.
15. Total expenditure on advertisement.
16. Details of Advisory and Transactional Services.
17. Reason for increase in capital expenditure.

The Chairman requested the Executive Vice – Chairman and Managing Director to respond to the aforesaid queries/ comments of the members.

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

The Chairman then informed the Members that in accordance with the provisions of Section 108 of the Companies Act 2013 read with Companies (Management and Administration) Rules, 2014, the Bank had provided an e-voting facility to enable the Members to cast vote electronically on the agenda items specified in the notice of the annual general meeting.

The e-voting period had commenced on 9th July 2014 and ended on 11th July 2014. Mr. Ashwin Ankhad, Advocate and Managing partner of M/s. Ashwin Ankhad & Associates was appointed as scrutinizer to the e-voting process.

He further informed that based on the report submitted by Mr. Ankhad on e-votes casted, all the resolutions had been passed with requisite majority. The results alongwith the scrutinizer's report would be placed on the website of the Bank and on the website of NSDL within two days of the Annual General Meeting.

With the consent of the members present, the Chairman announced the result of e-voting which was treated as final and all the resolutions related to the following were deemed to be passed on the date of the Annual General Meeting:

<u>Ordinary Business</u>:

1. Adoption of Profit and Loss Account for the year ended 31st March 2014, the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon. (Ordinary Resolution)
2. Appointment of a director in place of Mr. N. P. Sarda who retires by rotation and being eligible offers himself for reappointment. (Ordinary Resolution)
3. Declaration of dividend on equity shares. (Ordinary Resolution)
4. Appointment of Statutory Auditors. (Ordinary Resolution)

<u>Special Business</u>:

5. Re-appointment of Mr. Uday S. Kotak as Executive Vice Chairman and Managing Director. (Ordinary Resolution)
6. Re-appointment of Mr. Dipak Gupta as Whole-time Director designated as Joint Managing Director. (Ordinary Resolution)
7. Borrowing limits under Section 180(1)(c) of the Companies Act, 2013. (Special Resolution)
8. Increase in the ceiling limit on total holdings of FIIs/SEBI approved sub-account of FIIs, FPI and QFI upto 40%. (Special Resolution)

The Chairman then concluded the meeting.

CHAIRMAN OF THE MEETING