Kotak Mahindra Bank

August 1, 2018

To, The General Manager Department of Corporate Services - Listing Department BSE Limited P.J. Towers, Dalal Street Mumbai 400 001 **BSE Scrip Code:** 500247	To, The Vice President Listing Department National Stock Exchange of India Limited Exchange Plaza Plot C-1, Block "G" Bandra Kurla Complex, Bandra (East) Mumbai 400 051 **NSE Scrip Code:** KOTAKBANK

Dear Sir/Madam,

Sub: Issue of Non-Convertible Perpetual Non-Cumulative Preference Shares of face value of Rs.5 each ("PNCPS") by Kotak Mahindra Bank Limited (the "Company") in terms of the applicable provisions of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013, Sections 42, 55 and other applicable provisions of the Companies Act, 2013 and the Rules thereunder, the Banking Regulation Act, 1949 and RBI Master Circular – Basel III Capital Market Regulations dated July 1, 2015 (the "Issue")

Further to our letter dated August 1, 2018 sent earlier today, please find enclosed the information memorandum dated 1st August 2018, in connection with the Issue. We request you to upload the same on the website.

Yours faithfully,
Kotak Mahindra Bank Limited

B.R. Chandarana

Bina Chandarana
Company Secretary &
Sr. Executive Vice President
FCS Membership No.: 3510

Encl.: As above

Kotak Mahindra Bank Ltd.
CIN: L65110MH1985PLC038137
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IMPORTANT NOTICE

THIS ISSUE (AS DEFINED BELOW) AND THE ATTACHED INFORMATION MEMORANDUM IS AVAILABLE ONLY TO INVESTORS WHO ARE ELIGIBLE INVESTORS (AS DISCLOSED IN THE INFORMATION MEMORANDUM) WHICH ARE NOT EXCLUDED FROM INVESTING (AS REFERRED TO IN THE INFORMATION MEMORANDUM) OR PURSUANT TO APPLICABLE LAW, ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS TO SELL, SOLICIT OR RECOMMEND THE SALE OR PURCHASE OF SECURITIES.

IMPORTANT: The following terms apply to the information memorandum dated August 1, 2018 in relation to the proposed issuance of fully paid-up, non-convertible, Basel III compliant, perpetual non-cumulative preference shares ("**PNCPS 2018**") on a private placement basis by the Kotak Mahindra Bank Limited (the "**Bank**") (the "**Issue**") filed with BSE Limited and National Stock Exchange of India Limited (the "**Information Memorandum**") of the Bank. You are therefore advised to read this page carefully before reading, accessing or making any other use of the attached Information Memorandum. In accessing the Information Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access. You acknowledge that the access to the attached Information Memorandum is intended for use by you only and you agree you will not forward or otherwise provide access to any other person. Potential investors may apply to the Issue only on the basis of serially numbered Information Memorandum that is sent specifically to such persons by the Bank.

The Issue and distribution of this Information Memorandum is being done in reliance upon the provisions of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 and Section 42 of the Companies Act, 2013 and the rules made thereunder and the Master Circular No. DBR.NO. BP.BC.1/ 21.06.201/ 2015-16 dated July 1, 2015 issued by the Reserve Bank of India on Basel III Capital Regulations. The Information Memorandum is personal to each prospective investor and does not constitute an offer or invitation or solicitation of an offer to the public or to any other person or class of investors.

Confirmation of Your Representation: You are accessing the attached Information Memorandum on the basis that you have confirmed your representation, agreement and acknowledgment to Arranger to the Issue that: (1) you are an Eligible Investor (as referred to in the Information Memorandum) and you are not excluded from investing (as referred to in the Information Memorandum) or pursuant to applicable law, on a private placement basis and is not an offer to the public or to any other class of investors to sell, solicit or recommend the sale or purchase of securities; and (3) you are not a resident in a country where delivery of the attached Information Memorandum may not be lawfully made in accordance with the laws of the applicable jurisdiction. The public cannot subscribe to the issue since it is a private placement.

You must satisfy yourself that you are not subject to any requirements which prohibit or restrict you from accessing these materials.

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AN OFFER OR INVITATION TO THE GENERAL PUBLIC TO SUBSCRIBE TO THE SECURITIES DESCRIBED IN THE INFORMATION MEMORANDUM. THE INFORMATION MEMORANDUM IS NOT AND SHOULD NOT BE CONSTRUED AS AN INVITATION, OFFER OR SALE OF ANY SECURITIES TO THE PUBLIC IN INDIA. THE ATTACHED INFORMATION MEMORANDUM HAS NOT BEEN AND WILL NOT BE REVIEWED OR APPROVED BY ANY REGULATORY AUTHORITY IN INDIA, INCLUDING THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE RESERVE BANK OF INDIA, ANY REGISTRAR OF COMPANIES IN INDIA OR ANY STOCK EXCHANGE IN INDIA.

The attached Information Memorandum presented is not intended to constitute an offer or a solicitation or invitation of an offer to subscribe to the securities to any person or class of investors other than Eligible Investors (as referred to in the Information Memorandum).

Except with respect to Eligible Investors (as referred to in the Information Memorandum), nothing in this Information Memorandum constitutes an offer or an invitation by or on behalf of either the Bank or the Arranger to the Issue to subscribe for or purchase the PNCPS 2018 described therein.

The information in the Information Memorandum is as of the date thereof and neither the Bank, its directors nor the Arranger to the Issue is under any obligation to update or revise the documents to reflect circumstances arising after the date thereof.

YOU MAY NOT AND ARE NOT AUTHORIZED TO (I) FORWARD, DISTRIBUTE OR DELIVER THE ATTACHED INFORMATION MEMORANDUM, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR (II) REPRODUCE SUCH INFORMATION MEMORANDUM IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISSEMINATION, DISTRIBUTION OR REPRODUCTION OF THIS DISCLAIMER AND THE ATTACHED INFORMATION MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Neither the Bank, the Arranger to the Issue nor any of their affiliates or associates or any person who controls any of them or any of their directors, officers, employees, agents, representatives or advisers accepts any liability whatsoever for any loss howsoever arising from any use of the attached Information Memorandum or their respective contents or otherwise arising in connection therewith.

You are responsible for protecting against viruses and other destructive items. Your use of this information is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

The information in this Information Memorandum is not complete and may be changed. The Issue is meant only for Eligible Investors on a private placement basis and is not an offer to the public or to any other class of investors to purchase PNCPS. This Information Memorandum is not an offer to sell and is not soliciting an offer to subscribe or buy PNCPS in any jurisdiction where such offer or sale is not permitted. It is being issued for the sole purpose of information or discussion relating to the PNCPS 2018 that may be Allotted through the Information Memorandum.

KOTAK MAHINDRA BANK LIMITED

Date of Incorporation: November 21, 1985
(Incorporated in the Republic of India as a company with limited liability under the Companies Act, 1956 and licensed under the Banking Regulation Act, 1949)
Corporate Identity Number: L65110MH1985PLC038137
Registered and Corporate Office: 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051
Tel: +91 22 6166 0001; **Fax:** +91 22 6713 2403
Website: www.kotak.com
Company Secretary and Compliance Officer: Bina Chandarana
E-mail: investor.grievances@kotak.com

The Bank was incorporated as Kotak Capital Management Finance Limited on November 21, 1985 under the Companies Act, 1956, as a public limited company. A certificate of commencement of business was issued on February 11, 1986. The name of the Bank was changed to Kotak Mahindra Finance Limited on April 8, 1986 and a fresh certificate of incorporation was issued. Subsequently, the name of the Bank was changed to Kotak Mahindra Bank Limited with effect from March 21, 2003 and a fresh certificate of incorporation was issued. For details, please see the section "*General Information*" on page 15.

ISSUE BY KOTAK MAHINDRA BANK LIMITED (THE "ISSUER" OR THE "BANK") OF UP TO 100,00,00,000 FULLY PAID-UP, NON-CONVERTIBLE, BASEL III COMPLIANT, PERPETUAL NON-CUMULATIVE PREFERENCE SHARES WITH A FACE VALUE OF ₹ 5 EACH (THE "PNCPS 2018"), AGGREGATING UP TO ₹ 500,00,00,000 (FIVE HUNDRED CRORES ONLY) ON A PRIVATE PLACEMENT BASIS (THE "ISSUE"). THE PNCPS 2018 WILL BE LISTED ON BSE AND NSE.

GENERAL RISK

INVESTORS ARE ADVISED TO READ THE SECTION TITLED "*RISK FACTORS*" CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS ISSUE. FOR THE PURPOSES OF TAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND OF THE ISSUE INCLUDING, THE RISKS INVOLVED.

PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN LEGAL, REGULATORY, TAX, FINANCIAL AND/OR ACCOUNTING ADVISORS ABOUT RISKS ASSOCIATED WITH AN INVESTMENT IN SUCH PNCPS 2018 AND THE SUITABILITY OF INVESTING IN SUCH PNCPS 2018 IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES.

INVESTMENT IN THESE PNCPS 2018 INVOLVES A DEGREE OF RISK AND DIVIDEND IS NOT GUARANTEED. POTENTIAL INVESTORS ARE ADVISED TO READ THIS INFORMATION MEMORANDUM CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS ISSUE. FOR TAKING AN INVESTMENT DECISION, INVESTORS MUST USE THEIR OWN JUDGMENT AND RELY ON THEIR OWN EXAMINATION OF THE BANK AND THE ISSUE INCLUDING THE RISKS INVOLVED.

INSTRUMENTS OFFERED THROUGH THE INFORMATION MEMORANDUM ARE FULLY PAID-UP, NON-CONVERTIBLE, BASEL III COMPLIANT, PERPETUAL NON-CUMULATIVE PREFERENCE SHARES AND NOT DEBENTURES/BONDS. THEY ARE RISKIER THAN DEBENTURES/BONDS AND MAY NOT CARRY ANY GUARANTEED COUPON.

THE BANK COMMENCED IN 1985 AS AN NBFC AND SUBSEQUENTLY, THE BANK RECEIVED LICENSE BEARING NUMBER 73 FROM THE RBI DATED FEBRUARY 6, 2003 TO CARRY ON BANKING BUSINESS IN INDIA. THE RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE BANK OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATION MADE OR OPINIONS EXPRESSED BY THE BANK AND FOR DISCHARGE OF LIABILITY OF THE BANK. NEITHER IS THERE ANY PROVISION IN LAW TO KEEP, NOR DOES THE BANK KEEP ANY PART OF THE DEPOSITS WITH RBI AND BY ISSUING THE CERTIFICATE OF REGISTRATION TO THE BANK, THE RBI NEITHER ACCEPTS ANY RESPONSIBILITY NOR GUARANTEES FOR THE REPAYMENT OF THE DEPOSIT AMOUNT TO ANY DEPOSITOR.

LISTING

THE BANK HAS RECEIVED IN-PRINCIPLE APPROVALS FOR THE LISTING OF THE PNCPS 2018 FROM BSE AND NSE BY THEIR LETTERS DATED JULY 31, 2018 AND JULY 30, 2018, RESPECTIVELY. THE IN-PRINCIPLE APPROVALS FROM BSE AND NSE ARE SET OUT AS ANNEXURE A.

CREDIT RATINGS

The PNCPS 2018 have been rated 'CRISIL AA+/STABLE' by CRISIL pursuant to its letter dated August 1, 2018.

'**A CRISIL RATING REFLECTS CRISIL'S CURRENT OPINION ON THE LIKELIHOOD OF TIMELY PAYMENT OF THE OBLIGATIONS UNDER THE RATED INSTRUMENT, AND DOES NOT CONSTITUTE AN AUDIT OF THE RATED ENTITY BY CRISIL. CRISIL RATINGS ARE BASED ON INFORMATION PROVIDED BY THE ISSUER OR OBTAINED BY CRISIL FROM SOURCES IT CONSIDERS RELIABLE. CRISIL DOES NOT GUARANTEE THE COMPLETENESS OR ACCURACY OF THE INFORMATION ON WHICH THE RATING IS BASED. A CRISIL RATING IS NOT A RECOMMENDATION TO BUY / SELL OR HOLD THE RATED INSTRUMENT; IT DOES NOT COMMENT ON THE MARKET PRICE OR SUITABILITY FOR A PARTICULAR INVESTOR. ALL CRISIL RATINGS ARE UNDER SURVEILLANCE. RATINGS ARE REVISED AS AND WHEN CIRCUMSTANCES SO WARRANT. CRISIL IS NOT RESPONSIBLE FOR ANY ERRORS AND ESPECIALLY STATES THAT IT HAS NO FINANCIAL LIABILITY WHATSOEVER TO THE SUBSCRIBERS / USERS / TRANSMITTERS / DISTRIBUTORS OF ITS RATINGS.**'

The rating letter and the rating rationale is set out as Annexure B.

Issue Opening Date	Issue Closing Date
August 1, 2018	August 3, 2018*

**The Bank retains the option of closing the Issue prior to August 3, 2018, based on the subscription levels, as may be decided by the Board or committee of directors of the Bank.*

Arranger to the Issue	Registrar to the Issue
Kotak Mahindra Bank Limited	**Karvy Computershare Private Limited**
27BKC, C 27, G Block Bandra Kurla Complex Bandra (East) Mumbai 400 051 Tel. +91 22 6166 0001 Fax: +91 22 6713 2403 Email: rahul.chhaparwal@kotak.com/hardik.kotak@kotak.com Contact person: Rahul Chhaparwal/Hardik Kotak	Karvy Selenium Tower B, Plot 31-32 Gachibowli, Financial District Nanakramguda Hyderabad 500 032 Tel. +91 40 6716 2222 Fax: +91 40 2300 1153 Email: shobha.anand@karvy.com Contact person: C. Shobha Anand

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DISCLAIMERS

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THIS IM HAS BEEN PREPARED TO PROVIDE GENERAL INFORMATION ABOUT THE BANK AND OTHER TERMS AND CONDITIONS RELATING TO THE ISSUE OF THE PNCPS 2018, TO POTENTIAL INVESTORS TO WHOM IT IS ADDRESSED AND WHO ARE WILLING AND ELIGIBLE TO SUBSCRIBE TO THE PNCPS 2018. THIS IM HAS BEEN PREPARED IN ACCORDANCE WITH THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE REDEEMABLE PREFERENCE SHARES) REGULATIONS, 2013 ("**NCRPS REGULATIONS**") AND THE APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND MASTER CIRCULAR NO. DBR.NO. BP.BC.1/ 21.06.201/ 2015-16 DATED JULY 1, 2015 ISSUED BY THE RESERVE BANK OF INDIA ON BASEL III CAPITAL REGULATIONS ("**BASEL III GUIDELINES**") ISSUED BY THE RESERVE BANK OF INDIA. THIS IM DOES NOT PURPORT TO CONTAIN ALL THE INFORMATION THAT ANY POTENTIAL INVESTOR MAY REQUIRE. NEITHER THIS IM NOR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PNCPS 2018 IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION, AND ANY RECIPIENT OF THIS IM SHOULD NOT CONSIDER SUCH RECEIPT A RECOMMENDATION TO PURCHASE ANY PNCPS 2018. EACH INVESTOR CONTEMPLATING THE PURCHASE OF THE PNCPS 2018 SHOULD MAKE ITS OWN INDEPENDENT INVESTIGATION OF THE FINANCIAL CONDITION AND AFFAIRS OF THE BANK, AND ITS OWN APPRAISAL OF THE CREDITWORTHINESS OF THE BANK. POTENTIAL INVESTORS SHOULD CONSULT THEIR OWN FINANCIAL, LEGAL, TAX AND OTHER PROFESSIONAL ADVISORS AS TO THE RISKS AND INVESTMENT CONSIDERATIONS ARISING FROM AN INVESTMENT IN THE PNCPS 2018 AND SHOULD ANALYSE SUCH INVESTMENT AND THE SUITABILITY OF SUCH INVESTMENT TO SUCH INVESTOR'S PARTICULAR CIRCUMSTANCES. IT IS THE RESPONSIBILITY OF POTENTIAL INVESTORS TO ALSO ENSURE THAT THEY WILL SELL THESE PNCPS 2018 IN STRICT ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS IM AND APPLICABLE LAWS, SO THAT THE SALE DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC WITHIN THE MEANING OF THE COMPANIES ACT, 2013. NONE OF THE INTERMEDIARIES, ARRANGER OR THEIR RESPECTIVE AGENTS OR ADVISORS ASSOCIATED WITH THIS ISSUE UNDERTAKE TO REVIEW THE FINANCIAL CONDITION OR AFFAIRS OF THE BANK OR THE FACTORS AFFECTING THE PNCPS 2018 OR HAVE ANY RESPONSIBILITY TO ADVISE ANY INVESTOR OR POTENTIAL INVESTOR IN THE PNCPS 2018 OF ANY INFORMATION AVAILABLE WITH OR SUBSEQUENTLY COMING TO THE ATTENTION OF THE INTERMEDIARIES, ARRANGER OR THEIR RESPECTIVE AGENTS OR ADVISORS.

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B. UNDERSTAND THE NATURE OF THE PNCPS 2018 AND THE RISKS INVOLVED IN INVESTING IN THEM INCLUDING FOR ANY REASON HAVING TO SELL THEM OR BE MADE TO REDEEM THEM; AND

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NO OFFER IS BEING MADE TO "PERSON RESIDENT OUTSIDE INDIA" INCLUDING NON – RESIDENT INDIANS AS SUCH TERM IS DEFINED IN FOREIGN EXCHANGE MANAGEMENT ACT, 1999. THE PNCPS 2018 WILL ONLY BE OFFERED AND SOLD TO PERSONS RESIDENT IN INDIA AND WILL NOT BE OFFERED OR SOLD TO INVESTORS IN ANY JURISDICTION OUTSIDE INDIA.

THE PNCPS 2018 HAVE NOT BEEN RECOMMENDED OR APPROVED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) NOR DOES SEBI GUARANTEE THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. THIS IM HAS NOT BEEN SUBMITTED, CLEARED OR APPROVED BY SEBI.

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RBI DISCLAIMER

(A) "RESERVE BANK OF INDIA DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE BANK OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE BANK AND FOR DISCHARGE OF LIABILITY BY THE BANK".

(B) "NEITHER IS THERE ANY PROVISION IN LAW TO KEEP, NOT DOES THE BANK KEEP ANY PART OF THE PUBLIC FUNDS WITH THE RESERVE BANK AND BY ISSUING THE CERTIFICATE OF REGISTRATION TO THE BANK, THE RESERVE BANK NEITHER ACCEPTS ANY RESPONSIBILITY NOR GUARANTEE FOR THE PAYMENT OF THE PUBLIC FUNDS TO ANY PERSON/BODY CORPORATE".

DISCLAIMER OF THE STOCK EXCHANGES

AS REQUIRED, A DRAFT COPY OF THIS INFORMATION MEMORANDUM HAS BEEN SUBMITTED TO BSE AND NSE (DEFINED HEREINAFTER) (ALSO REFERRED TO AS "**STOCK EXCHANGES**") FOR SEEKING IN PRINCIPLE APPROVAL FOR LISTING OF THE PNCPS 2018. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUCH SUBMISSION OF THE INFORMATION MEMORANDUM WITH BSE AND NSE OR HOSTING THE SAME ON THE WEBSITE OF BSE AND NSE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE INFORMATION MEMORANDUM HAS BEEN CLEARED OR APPROVED BY BSE AND NSE; NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS INFORMATION MEMORANDUM; NOR DOES IT WARRANT THAT THIS ISSUER'S SECURITIES WILL BE LISTED OR CONTINUE TO BE LISTED ON THE STOCK EXCHANGE; NOR DOES IT TAKE RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS ISSUER, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THE ISSUER. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRE ANY SECURITIES OF THIS ISSUER MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE STOCK EXCHANGE OR ANY AGENCY WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR ANY OTHER REASON WHATSOEVER.

DISCLAIMER OF THE SECURITIES AND EXCHANGE BOARD OF INDIA

PURSUANT TO RULE 14(3) OF THE COMPANIES (PROSPECTUS & ALLOTMENT OF SECURITIES) RULES, 2014, A COPY OF THIS INFORMATION MEMORANDUM SHALL BE FILED WITH THE REGISTRAR OF COMPANIES, MUMBAI ALONG WITH FEE AS PROVIDED IN THE COMPANIES (REGISTRATION OFFICES & FEES) RULES, 2014, WITHIN A PERIOD OF THIRTY DAYS OF CIRCULATION OF THIS INFORMATION MEMORANDUM. THIS INFORMATION MEMORANDUM SHALL ALSO BE FILED WITH SEBI AS PER EXTANT PROVISIONS. THE PNCPS 2018 HAVE NOT BEEN RECOMMENDED OR APPROVED BY SEBI NOR DOES SEBI GUARANTEE THE ACCURACY OR ADEQUACY OF THIS INFORMATION MEMORANDUM. IT IS TO BE DISTINCTLY UNDERSTOOD THAT THIS INFORMATION MEMORANDUM SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR VETTED BY SEBI.

DISCLOSURE REQUIREMENTS UNDER FORM PAS – 4 PRESCRIBED UNDER THE COMPANIES ACT, 2013

The table below sets out the disclosure requirements as provided in PAS-4 and the relevant pages in this IM where these disclosures, to the extent applicable, have been provided.

Sr. No.	Disclosure Requirements	Relevant Page of this IM
1.	**GENERAL INFORMATION**	
a.	Name, address, website and other contact details of the company indicating both registered office and corporate office.	Cover Page and Page 15
b.	Date of incorporation of the company.	Cover Page and Page 15
c.	Business carried on by the company and its subsidiaries with the details of branches or units, if any.	Pages 61-79
d.	Brief particulars of the management of the company.	Pages 106-108
e.	Names, addresses, DIN and occupations of the directors.	Pages 106-108
f.	Management's perception of risk factors.	Pages 18-51
g.	Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of:	Pages 113-114
i)	Statutory dues;	
ii)	Debentures and interest thereon;	
iii)	Deposits and interest thereon; and	
iv)	Loan from any bank or financial institution and interest thereon.	
h.	Names, designation, address and phone number, email ID of the nodal/ compliance officer of the company, if any, for the private placement offer process.	Cover Page and Page 15
2.	**PARTICULARS OF THE OFFER**	
a.	Date of passing of board resolution.	Page 17
b.	Date of passing of resolution in the general meeting, authorizing the offer of securities.	Page 17
c.	Kinds of securities offered (i.e. whether share or debenture) and class of security.	Page 118
d.	Price at which the security is being offered including the premium, if any, along with justification of the price.	Page 118
e.	Name and address of the valuer who performed valuation of the security offered.	Not Applicable
f.	Amount which the company intends to raise by way of securities.	Page 118
g.	Terms of raising of securities:	Page 118-132
i)	Duration, if applicable;	Page 121
ii)	Rate of dividend;	Page 121
iii)	Rate of interest;	Page 118
iv)	Mode of payment; and	Page 121
v)	Mode of repayment.	Page 118
h.	Proposed time schedule for which the offer letter is valid.	Not Applicable
i.	Purposes and objects of the offer.	Page 119
j.	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects.	Page 110
k.	Principle terms of assets charged as security, if applicable.	Not Applicable
3.	**DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC**	
a.	Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.	Page 110
b.	Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon	Page 114

Sr. No.	Disclosure Requirements	Relevant Page of this IM
	conclusion of such litigation or legal action shall be disclosed.	
c.	Remuneration of directors (during the current year and last three financial years).	Pages 109-110
d.	Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided.	Page 60
e.	Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark.	Page 60
f.	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding, the year of circulation of offer letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries.	Page 115
g.	Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company	Page 112-113
4.	**FINANCIAL POSITION OF THE COMPANY**	
h.	The capital structure of the company in the following manner in a tabular form:	Page 80
(i) (a)	The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value);	
(b)	Size of the present offer; and	
(c)	Paid up capital:	
(A)	After the offer; and	
(B)	After conversion of convertible instruments (if applicable);	
(d)	Share premium account (before and after the offer).	
(ii)	The details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration.	Page 82-105
a.	Provided that the issuer company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the offer letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case.	
b.	Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of offer letter.	Page 60
c.	Dividends declared by the company in respect of the said three financial years;	Page 117
	Interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid)	Not Applicable.
d.	A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of circulation of offer letter.	Page 60
e.	Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter.	Pages 57 and 59
f.	Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.	Pages 59-60
5.	**A DECLARATION BY THE DIRECTORS THAT**	
a.	The company has complied with the provisions of the Act and the rules	Page 142

Sr. No.	Disclosure Requirements	Relevant Page of this IM
	made thereunder.	
b.	The compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government.	Page 142
c.	The monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter.	Page 142

DEFINITIONS/ ABBREVIATIONS/ TERMS USED

Our ''Bank'' or the ''Bank'' or the ''Issuer'' or "KMBL'' or ''Kotak Bank''	Kotak Mahindra Bank Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 and CIN L65110MH1985PLC038137.
AGM	Annual General Meeting of the Bank
Acknowledgement Slip	Means the acknowledgment slip, which forms part of the Application Form, to be obtained by an applicant, duly stamped by the RTA or the Bank at the time of deposit of the Application Form.
Allot / Allotment / Allotted	Unless the context otherwise requires or implies, the allotment of the PNCPS 2018 pursuant to the Issue.
AMFI	Association of Mutual Funds in India
ANBC	Adjusted net bank credit
Application Form	The application form circulated along with this IM to be used for the purposes of applying for the PNCPS 2018 as Annexure C.
Application Money	The money credited by an applicant to the Designated Account of the Issuer for the purpose of subscription to the PNCPS 2018.
Arranger to the Issue	Arranger to the Issue, being Kotak Mahindra Bank Limited
Articles of Association/ Articles	The Articles of Association of the Bank
ASCL	Aggregate Sanctioned Credit Limit
Associates	Infina Finance Private Limited, Phoenix ARC Limited, ACE Derivatives and Commodity Exchange Limited and Matrix Business Services India Private Limited.
Auditors	M/s. S.R Batliboi & Co. LLP, Chartered Accountants, being the statutory auditors of the Bank.
ATM(s)	Automated Teller Machine(s)
AUM	Average Assets Under Management
Bank/Company/Issuer	Kotak Mahindra Bank Limited
Banking Regulation Act	The Banking Regulation Act, 1949
Basel III/ Basel III Guidelines	Master Circular No. DBR.No. BP.BC.1/ 21.06.201/ 2015-16 dated July 1, 2015 issued by the Reserve Bank of India on Basel III Capital Regulations ("**Master Circular**").
Beneficiary/Beneficiaries	Those persons whose names appear on the beneficiary details provided by the Depositories (NSDL and/ or CDSL) as on the record date.
BIS	Bank for International Settlements
Board/Board of Directors	The Board of Directors of the Bank
bps	Basis Points
BSE	BSE Limited
CASA	Current account plus saving account
CBLO	Collateralized Borrowing and Lending Obligation
CDs	Certificates of Deposit
CDR	Corporate Debt Restructuring Scheme
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CEOBE	Credit equivalent amount of off-balance sheet exposures
CET	Common Equity Tier
CFO	Chief Financial Officer
CIN	Corporate Identity Number
CIRP	Corporate Insolvency Resolution Process

Companies Act	The Companies Act, 2013 and/or the Companies Act, 1956, as may be applicable
Companies Act, 1956	The Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder
Companies Act, 2013	The Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made thereunder
Consolidated FDI Policy	The Consolidated FDI Policy (effective from August 28, 2017), issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
Consolidated Financial Statements	The audited consolidated financial statements as at and for the years ended March 31, 2018, March 31, 2017 and March 31, 2016, prepared in accordance with the provisions of Banking Regulation Act, 1949, the Companies Act, 2013 read along with rules thereunder and Indian GAAP
Corporate Office	The registered office of the Bank, being, 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051
CRISIL	CRISIL Limited (A Standard and Poor's Company)
CRAR	Capital to Risk-weighted Assets Ratio
DCM	Debt Capital Markets
Deemed Date of Allotment	August 3, 2018* **The Bank retains the option of closing the Issue prior to August 3, 2018, based on the subscription levels, as may be decided by the Board or committee of directors of the Bank. In case of early closure of the Issue, the above expected Deemed Date of Allotment shall stand changed to revised Issue Closing Date.*
Depositories	NSDL and CDSL
Designated Account	Bank's bank account for collecting the Application Money, having the following details: Beneficiary Bank :Kotak Mahindra Bank Limited Account Name :KMBL – Preference Issue – FY2019 IFSC Code :KKBK0001368 Branch Name :Mumbai - BKC 27 Bank Account Number :9613055599
Designated Stock Exchange	BSE
DIFC	Dubai International Financial Centre
Directors	The directors of the Bank
DP	Depository Participant
DRT	Debt Recovery Tribunal
eIVBL	*Erstwhile* ING Vysya Bank Limited
eIVBL Scheme	The scheme of amalgamation between the Bank and eIVBL, effective from April 1, 2015
ECGC	Export Credit Guarantee Corporation of India Limited
EGM	Extraordinary General Meeting of the Bank
ETFs	Exchange Traded Funds
Equity Shares	Equity shares of the Bank of face value of ₹ 5 each

FATCA	Foreign Account Tax Compliance Act, 2010
FEMA	The Foreign Exchange Management Act, 1999
FEMA 20	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
FIIs	Foreign institutional investors
FINRA	Financial Industry Regulatory Authority
FIU	Financial Intelligence Unit (India)
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
FPIs	Foreign Portfolio Investors
FSC	Financial Services Commission
FY/Financial Year	Fiscal Year/Financial Year
General Meeting	AGM or EGM
GIFT City	Gujarat International Finance Tec-City
GOI	Government of India
Group	The Bank, its Subsidiaries and Associates
HFC	Housing Finance Companies
IBA	Indian Banks' Association
ICDS	Income Computation and Disclosure Standards
ICRA	Investment Information and Credit Rating Agency of India Limited
IFRS	International Financial Reporting Standards
IM	This information memorandum and private placement offer letter dated August 1, 2018, prepared by the Bank in relation to the Issue
Indian GAAP	Indian Generally Accepted Accounting Principles (GAAP) as applicable to the respective entities in accordance with the regulations under which they operate and in relation to our Bank, as applicable to banking companies in India
INR/ ₹ / Rupees	The lawful currency of the Republic of India
Investors	Those persons resident in India (who fall within a class listed under the heading 'who can apply' of this IM) to whom a copy of this IM may be sent, specifically addressed to such person, with a view to offering the PNCPS 2018 for sale (being offered on a private placement basis) under this IM.
IPDI	Innovative Perpetual Debt Instrument
IPO	Initial Public Offering
IRDA	Insurance Regulatory Development Authority
IRDAI	The Insurance Regulatory and Development Authority of India
ISIN	International Securities Identification Number
Issue	Issue by the Issuer of up to 100,00,00,000 PNCPS 2018, aggregating up to ₹ 500,00,00,000 (Rupees five hundred crores).
Issue Closing Date	August 3, 2018, which is the last date up to which Application Forms shall be accepted, or such other earlier date or time as may be decided by the Board or committee of directors of the Bank
Issue Opening Date	August 1, 2018 (subsequent to issue approval by committee of directors), which is the first date from which Application Forms shall be accepted.
Issue Size	Up to ₹ 500,00,00,000 (Rupees five hundred crores only)
Joint Ventures	Any arrangement whereby two or more parties/companies co-operate in order to run a business

	or to achieve a commercial objective.
Key Management Personnel	The key management personnel of the Bank in accordance with the provisions of the Companies Act, 2013.
KIE	Kotak Institutional Equities division
KMAMC	Kotak Mahindra Asset Management Company Limited
KGI or Kotak General Insurance	Kotak Mahindra General Insurance Company Limited
KMCC	Kotak Mahindra Capital Company Limited
KMFL	Kotak Mahindra Finance Limited
KMPL or Kotak Prime	Kotak Mahindra Prime Limited
KMT	Kotak Mahindra Trustee Company Limited
KLI or Kotak Life	Kotak Mahindra Life Insurance Company Limited (formerly, Kotak Mahindra Old Mutual Life Insurance Limited)
Kotak Forex Brokerage Limited	Kotak Forex Brokerage Limited (presently known as, Kotak Infrastructure Debt Fund Limited)
Kotak Mahindra Old Mutual Life Insurance Limited	Kotak Mahindra Old Mutual Life Insurance Limited (presently known as, Kotak Mahindra Life Insurance Company Limited)
KSL or Kotak Securities	Kotak Securities Limited
KMIL or Kotak Investments	Kotak Mahindra Investments Limited
KYC	Know Your Client
LCR	Liquity Coverage Ratio
LIBOR	London Interbank Offered Rate
Material Subsidiary	KLI
Memorandum of Association/Memorandum	The Memorandum of Association of the Bank to time.
MRA	Master Restructuring Agreement
MSME	Micro, small and medium-sized enterprises
MUDRA	Micro Units Development and Refinance Agency Limited
N.A.	Not applicable
NABARD	National Bank for Agriculture and Rural Development
NBFC	Non-Banking Financial Company
NCLT	National Company Law Tribunal
NCRPS Regulations	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013
NDS	Negotiated Dealing System
New Banks Licensing Guidelines	Guidelines on 'Licensing of New Banks in the Private Sector' issued by RBI on February 22, 2013
NHB	National Housing Bank
NPA	Non-Performing Assets
NPLL	Normally Permitted Lending Limit
NRE	Non-Resident (External)
NRO	Non-Resident Ordinary
NRI	Non-Resident Indian
NSDL	National Securities Depository Limited
NSFR	Net Stable Funding Ratio
NSE	National Stock Exchange of India Limited
On-Tap Guidelines	Guidelines for 'on tap' Licensing of Universal Banks in the Private Sector released by the RBI on August 1, 2016
PAN	Permanent Account Number allotted under the I.T. Act
PCA	Prompt Corrective Action
PCM	Professional Clearing Member
PFRDA	Pension Fund Regulatory and Development Authority
PNCPS	Perpetual Non-Cumulative Preference Share issued by a

	bank in accordance with the guidelines framed by the RBI
PNCPS 2018	Fully Paid-Up, Non-Convertible, Basel III Compliant, Perpetual Non-Cumulative Preference Shares of face value of ₹ 5 each being issued by the Bank in accordance with this IM
PNCPS 2018 Holders	Persons who are for the time being holders of the PNCPS 2018 and whose names are last mentioned in the Register of Members and shall include Beneficiaries
PNCPS 2018 Register	The Register of Members maintained by the Bank and/or the RTA
PMLA	Prevention of Money Laundering Act, 2002
Promoter	The Promoter of the Bank, being, Uday Kotak
Promoter Group	Promoter Group of the Bank, comprising, Suresh A. Kotak (HUF), Aarti Suresh Kotak, Janak Dinkarrai Desai, Kusum Dinkarrai Desai, Dinkarrai Kalidas Desai, Indira Suresh Kotak, Suresh Amritlal Kotak, Pallavi Kotak, Kotak Trustee Company Private Limited (having Uday Kotak as the beneficial owner)
PSL	Priority sector lending
QIP	Qualified institutions placement undertaken by the Bank, pursuant to which the Bank allotted 62,000,000 Equity Shares in accordance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
RBI	Reserve Bank of India
Registered Office	The registered office of the Bank, being, 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051
RIDF	Rural Infrastructure Development Fund
RoC or Registrar	Registrar of Companies, Maharashtra at Mumbai
₹, Rs., INR, Rupees	Indian Rupees
RTA	Registrar and Share Transfer Agents of the Bank, being Karvy Computershare Private Limited
SARFAESI Act	The Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002
SEBI	Securities and Exchange Board of India
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEZ	Special Economic Zone
Shareholders	Shareholders of the Bank
SIDBI	Small Industries Development Bank of India
SIPs	Systematic Investment Plans
SLR	Statutory Liquidity Ratio
SMA2	Special Mention Accounts Category 2
SME	Small and Medium sized enterprises
Standalone Financial Statements	The standalone financial statements as at and for the years ended March 31, 2018, March 31, 2017 and March 31, 2016, prepared in accordance with the provisions of Banking Regulation Act, 1949, the Companies Act, 2013 read along with rules thereunder and Indian GAAP
Stock Exchanges	BSE and NSE
Subsidiaries	Kotak Mahindra Prime Limited, Kotak Securities Limited, Kotak Mahindra Capital Company Limited, Kotak Mahindra Life Insurance Company Limited

	(formerly, Kotak Mahindra Old Mutual Life Insurance Limited), Kotak Mahindra Investments Limited, Kotak Mahindra Asset Management Company Limited, Kotak Mahindra Trustee Company Limited, Kotak Mahindra (International) Limited, Kotak Mahindra (UK) Limited, Kotak Mahindra, Inc., Kotak Investment Advisors Limited, Kotak Mahindra Trusteeship Services Limited, Kotak Infrastructure Debt Fund Limited (formerly, Kotak Forex Brokerage Limited), Kotak Mahindra Pension Fund Limited, Kotak Mahindra Financial Services Limited, Kotak Mahindra Asset Management (Singapore) Pte. Limited, Kotak Mahindra General Insurance Company Limited, IVY Product Intermediaries Limited and BSS Microfinance Limited (formerly, BSS Microfinance Private Limited)
TDS	Tax Deducted at Source
UIDAI	Unique Identification Authority of India
UK	United Kingdom
UTR	Unique Transaction Reference
VaR	Value at risk
VAT	Valued Added Tax

GENERAL INFORMATION

DETAILS OF THE ISSUER

Name of the Issuer: Kotak Mahindra Bank Limited

Date of Incorporation: November 21, 1985

Registered and Corporate Office

27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

Registration

Certification of incorporation dated November 21, 1985 issued by the Registrar of Companies, Maharashtra at Mumbai. Corporate Identification Number: L65110MH1985PLC038137.

The Bank commenced operations in 1985 as an NBFC and subsequently, the Bank received license bearing number 73 from the RBI dated February 6, 2003 to carry on banking business in India.

Income-Tax Registration:

PAN : AAACK4409J

Compliance Officer

Name : Bina Chandarana
Address : 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051
Tel : +91 22 6166 0001
Fax : +91 22 6713 2403
E-Mail : investor.grievances@kotak.com

Investors can contact the Registrar and Share Transfer Agents (RTA) in case of any pre-issue or post-issue related problems such as non-receipt of demat credit or refund orders.

Registrar and Share Transfer Agents (RTA)

Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot 31-32
Gachibowli, Financial District
Nanakramguda
Hyderabad 500 032
Tel: +91 40 6716 2222
Fax: +91 40 2300 1153
Email: shobha.anand@karvy.com
Contact Person: C. Shobha Anand

Legal Advisors to the Issue

AZB & Partners
AZB House, Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013
Tel: +91 22 66396880
Fax: +91 22 66396888

Arranger to the Issue

Kotak Mahindra Bank Limited
27BKC, C 27, G Block
Bandra Kurla Complex
Bandra (East)
Mumbai 400 051Tel. +91 22 6166 0001

Fax: +91 22 6713 2403
Email: rahul.chhaparwal@kotak.com/hardik.kotak@kotak.com
Contact person: Rahul Chhaparwal/Hardik Kotak

Statutory Auditors

Name	Address	Auditor Since
M/s. S R Batliboi & Co. LLP, Chartered Accountants	14th Floor, The Ruby 29, Senapati Bapat Marg Dadar (West), Mumbai 400 028 Maharashtra, India Tel: +91 22 6192 0000 Fax: +91 22 6192 0000	Financial year 2015-16

Details of change in the Statutory Auditors in the last three years

Nil

Chief Financial Officer

Jaimin Bhatt
27BKC, C 27, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Email: investor.grievances@kotak.com
Tel: +91 22 6166 0001
Fax: +91 22 6713 2403

Credit Rating Agency

CRISIL Limited
CRISIL House,
Central Avenue,
Hiranandani Business Park,
Powai, Mumbai 400 076
Tel: +91 22 3342 3000
Fax: +91 22 3342 3050
E-mail: crisilratingdesk@crisil.com
Website: www.crisil.com

Credit Ratings

CRISIL

By its letter dated August 1, 2018, CRISIL has assigned a rating of 'CRISIL AA+/STABLE' to this issue of PNCPS 2018. Such instruments carry very low credit risk. The rating letter and the rating rationale is set out as Annexure B.

Kindly note that the above rating is not a recommendation to buy, sell or hold the PNCPS 2018 and subscribers should take their own independent decisions. The ratings may be subject to revision or withdrawal at any time by the rating agency and the rating agency has a right to suspend or withdraw the rating(s) at any time on the basis of new information, etc.

Issue Programme

The subscription list for this Issue shall remain open for subscription during business hours for the period indicated below, except it may close on such earlier date as may be decided by the Board / Committee of Directors of the Bank, as the case may be.

ISSUE OPENS ON	August 1, 2018
ISSUE CLOSES ON	August 3, 2018*

**The Bank retains the option of closing the Issue prior to August 3, 2018, based on the subscription levels, as may be decided by the Board or committee of directors of the Bank.*

The Issue has been authorised by the Board of Directors vide a resolution passed in its meeting held on May 19, 2018 and by the Shareholders through a resolution passed in their AGM held on July 19, 2018.

KEY RISK FACTORS

Potential investors should carefully consider the risks and uncertainties described below, in addition to the other information contained in this IM before making any investment decision relating to the Issue. If any of the following risks or other risks that are not currently known or are deemed immaterial at this time, actually occur, our business, financial condition and results of operation could suffer, and you may lose all or part of your investment amounts and the dividend payments may be affected. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. The order of the risk factors appearing hereunder is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. Unless the context requires otherwise, the risk factors described below apply to us / our operations as well as those of our Subsidiaries.

You must rely on your own examination of the Bank and this Issue, including the risks and uncertainties involved.

Reference to "our business" or "Bank's business" in this section refers to the business of the Bank and its subsidiaries.

Risks relating to our Business

1. ***We have grown rapidly in the past, and there is no assurance that our growth will continue at a similar rate or that we will be able to manage our rapid growth.***

   We have grown rapidly in the past. As of March 31, 2018, we had a branch network comprised of 1,388 domestic branches and 2,199 ATMs. Our consolidated net advances as of March 31, 2018, 2017 and 2016 were ₹ 2,05,997 crore, ₹ 1,67,125 crore and ₹ 1,44,793 crore respectively. The growth in our business is attributable to our organic growth which includes the expansion of our branch network, and the merger with eIVBL.

   Our rapid growth has placed and will continue to place significant demands on our operational, credit, financial and other internal risk controls including:

   - preserving our asset quality as our geographical presence increases and our customer profile changes;
   - developing and improving our products and delivery channels;
   - recruiting, training and retaining sufficient skilled personnel;
   - upgrading, expanding and securing our technology platform;
   - integrating newly-acquired businesses;
   - complying with regulatory requirements including KYC norms, FEMA and FATCA; and
   - maintaining high levels of customer satisfaction.

   If we are not successful in implementing or executing these operational measures and risk controls, we may not be able to expand our business as we have in the past, and our growth rate may decline. We may not be able to manage our new operations effectively or efficiently, which would mean that our operations would suffer and our performance and financial results as a whole would be materially adversely affected.

2. ***Our business is highly competitive, which creates significant pricing pressures for us to retain existing customers and solicit new business, and our strategy depends on our ability to compete effectively.***

   The Indian banking industry is highly competitive. We face strong competition in all our lines of business from much larger Indian and foreign commercial banks, non-banking financial companies, insurance companies, mutual funds, financial service firms and other entities operating in the Indian banking and financial sector. We compete directly with large government-controlled public sector banks, major private sector banks and foreign banks with branches in India. As of March 31, 2018, there were 161 scheduled

commercial banks in India, including 21 public sector banks, 24 private sector banks (including us), 5 payments banks, 10 small finance banks, 56 regional rural banks and 45 foreign banks with branches in India. Public sector banks, which generally have a much larger customer and deposit base, larger branch networks and Government support for capital augmentation, pose strong competition to us. Mergers among public sector banks, including because of Government efforts to encourage and facilitate such mergers, may result in enhanced competitive strengths in pricing and delivery channels for the merged entities. Further, a number of the private sector banks in India have a larger customer base and greater financial resources than us, giving them a substantial advantage by enabling economies of scale and improving organisational efficiencies.

The RBI has liberalised the licensing regime for banks in India and intends to issue licences on an ongoing basis, subject to meeting the criteria laid down by RBI. The New Banks Licensing Guidelines were issued by the RBI in February 2013 specifying that select entities or groups in the private sector, entities in the public sector and non-banking financial companies with a successful track record of at least 10 years would be eligible to promote banks. The RBI permitted private sector entities owned and controlled by Indian residents and entities in the public sector in India to apply to the RBI for a license to operate a bank through a wholly-owned non-operative financial holding company ("**NOFHC**") route, subject to compliance with certain specified criteria. Such a NOFHC was permitted to be the holding company of the bank as well as any other financial services entity, with the objective that the holding company ring-fences the regulated financial services entities in the group, including the Bank, from other activities of the group. The RBI is supportive of creating more specialised banks and granting differentiated banking licenses such as for payment banks and small finance banks. The RBI also has plans to create wholesale and long-term finance banks in the near future. We believe that this will continue to intensify the competition in the banking sector.

In August 2016, the RBI released the On-Tap Guidelines for "on-tap" licensing of universal banks in the private sector. The guidelines aim at moving from the current "stop and go" licensing approach (wherein the RBI notifies the licensing window during which a private entity may apply for a banking license) to a continuous or "on-tap" licensing regime. Among other things, the On-Tap Guidelines specify conditions for the eligibility of promoters, corporate structure and foreign shareholdings. One of the key features is that, unlike the New Banks Licensing Guidelines, the On-Tap Guidelines make the NOFHC structure non-mandatory in the case of promoters being individuals or standalone promoting/converting entities which do not have other group entities.

Some Indian banks have recently experienced higher growth, achieved better profitability and increased their market share in comparison to us. Further, liberalisation of the Indian financial sector could lead to a greater presence and new entries of Indian and foreign banks, that offer a wider range of products and services, which could adversely affect our competitive environment.

We also compete with foreign banks with operations in India. The RBI, on February 28, 2005, released a "Roadmap for Presence of Foreign Banks in India and Guidelines on Ownership and Governance in Private Sector Banks". In November 2013, the RBI released a framework for the setting up of wholly owned subsidiaries in India by foreign banks. The framework encourages foreign banks to establish a presence in India by granting rights similar to those received by Indian banks, subject to certain restrictions and safeguards. Under the current framework, wholly owned subsidiaries of foreign banks are allowed to raise Rupee resources through issue of non-equity capital instruments. Further, wholly owned subsidiaries of foreign banks may be allowed to open branches in tier 1 to tier 6 centres (except at a few locations considered sensitive on security considerations) without having the need for prior permission from the RBI in each case, subject to certain reporting requirements. Any growth in the presence of foreign banks or in foreign investments in Indian banks may increase the competition that we face and as a result may have a material adverse effect on our business.

If the number of scheduled commercial banks, public sector banks, private sector banks and foreign banks with branches in the country increases, we will face increased competition in the businesses, which could have a material adverse effect on our financial condition and results of operations.

Some of the public sector, private and foreign banks have subsidiaries and affiliates operating as non-banking financial companies in asset management, insurance, stock broking, investment banking and other

financial services with significant market share, distribution reach and product portfolio, and our Subsidiaries compete with them for business.

In addition, we may face attrition and difficulties in hiring at senior management and other levels due to competition from existing banking and financial services entities, as well as new banks and financial services entities entering the market. Due to such intense competition, we may be unable to execute our growth strategy successfully and offer competitive products and services, which would have a material adverse effect on our business, financial condition and results of operations.

Due to competitive pressures, we may be unable to successfully execute our growth strategy and offer products and services at reasonable returns and this may adversely affect our business.

3. ***If the level of non-performing assets in our portfolio increases, we will be required to increase our provisions, which would negatively impact our profits.***

Our management of credit risk involves having appropriate credit policies, underwriting standards, approval processes, loan portfolio monitoring, remedial management and overall architecture for managing credit risk. Our risk mitigation and risk monitoring techniques may not be accurate or appropriately implemented and we may not be able to anticipate future economic and financial events, leading to an increase in our NPAs.

Any such increase in NPAs might require us to increase our provisions, which could materially adversely affect our net profits and financial position.

Provisions for NPAs are created by a charge to Profit and Loss account, and are currently subject to minimum provision requirements, linked to ageing of NPAs. Besides the regulatory minimum, we also consider our internal estimate for loan losses and risks inherent in the credit portfolio while deciding on the level of provisions. The determination of an appropriate level of loan losses and provisions involves a degree of subjectivity and requires that we make estimates of current credit risks and future trends, all of which may undergo material changes. Any incorrect estimation of risks may result in our provisions not being adequate to cover any further increase in the amount of NPAs or any further deterioration in our NPA portfolio.

A number of factors outside of our control affect our ability to control and reduce NPAs. These factors include developments in the Indian and global economy, domestic or global turmoil, competition, industry level arrangements or amendments based on recommendations by IBA or otherwise, changes in interest rates and exchange rates and changes in regulations, including with respect to regulations requiring us to lend to certain sectors identified by the RBI. These factors coupled with other factors such as volatility in commodity markets and declining business and consumer confidence and decreases in business and consumer spending could impact the operations of our customers and in turn impact their ability to fulfil their obligations under the loans granted to them by us. In addition, the expansion of our business may cause our NPAs to increase and the overall quality of our loan portfolio to deteriorate. If our NPAs increase, we will be required to increase our provisions, which would result in our net profit being less than it otherwise would be and could materially adversely affect our financial condition.

4. ***We may be unable to foreclose on collateral in a timely fashion or at all when borrowers default on their obligations to us, or the value of collateral may decrease, any of which may result in failure to recover the expected value of collateral security, increased losses and a decline in net profits.***

Among other factors, we consider a mix of cash flow and availability of collateral while taking lending decisions. Many of our loans to corporate customers are secured by various assets, including property, plant and equipment. Loans to corporate customers also include working capital credit facilities that are typically secured by a first charge on inventory, receivables and other current assets. In some cases, we may have taken further security of a first or second charge on fixed assets and a pledge of financial assets including marketable securities, corporate guarantees and personal guarantees. A significant portion of our loans to retail customers is also secured by the underlying assets financed, mainly property and vehicles.

As per the RBI's Master Circular on Income Recognition and Asset Classification, an exposure is considered as secured if the realisable value of the security is more than 10% of the outstanding exposure. As of March 31, 2018, 76.9% of the Bank advances were secured as per the RBI guidelines. We may not be

able to realise the full value of the collateral, due to, among other things, economic downturn, fall in the values of relevant collateral, stock market volatility, changes in economic policies of the Indian government, obstacles and delays in legal proceedings, borrowers and guarantors not being traceable, the Bank's records of borrowers' and guarantors addresses being ambiguous or outdated and defects in the perfection of collateral and fraudulent transfers by borrowers. In the event that a specialised regulatory agency gains jurisdiction over the borrower, creditor actions can be further delayed. In addition, the value of collateral may be less than we expect or may decline. If we are unable to foreclose on our collateral or realise adequate value, our losses will increase and our net profits will decline.

The SARFAESI Act, the Recovery of Debts Due to Banks and Financial Institutions Act, 1993, Insolvency and Bankruptcy Code, 2016, together with the Banking Regulation (Amendment) Act, 2017 which amends the Banking Regulation Act, giving the RBI wide-ranging powers for the recovery of bad loans and resolution of stressed assets and have strengthened the ability of lenders to recover NPAs by granting lenders greater rights to enforce security and recover amounts owed from secured borrowers. While we believe that such legislations have contributed to strengthening enforcement efforts, there can be no assurance that these legislations will continue to be effective in resolving NPAs. A failure to recover the expected value of collateral security could expose us to potential losses and may adversely affect our financial condition.

5. ***We are exposed to borrower and industry concentrations, and a default by any large borrower or a deterioration in the performance of any of the industry sectors to which we have significant exposure would adversely affect the quality of our portfolio, and our ability to meet capital requirements could be jeopardized.***

We calculate exposure in accordance with the policies established by RBI. In the case of customer exposures, we aggregate the higher of the outstanding balances of, or limits on, funded and non-funded exposures. As of March 31, 2018, aggregate credit exposure including derivatives to the Bank's 20 largest borrowers amounted to ₹ 27,849 crore representing 9.05% of total exposure of the bank on its borrowers/customers. While none of our twenty largest customer exposures were classified as non-performing as of March 31, 2018, if any of them were to become non-performing, our net profits would decline and, due to the magnitude of the exposures, our ability to meet capital requirements could be jeopardised.

As of March 31, 2018, our largest industry concentrations as per internal classifications, based on the exposures of the consolidated Bank, were as follows: Banks (8.1%), Commercial Real Estate (5.1%), NBFCs (including HFCs) (4.6%), Automobiles including Ancillaries (3.6%) and Wholesale Trade (3.1%).

Industry-specific difficulties in these or other sectors may increase our level of non-performing customer assets. If we experience a downturn in an industry in which we have concentrated exposure, our net profits will likely decline significantly and our financial condition may be materially adversely affected.

6. ***We may not be able to secure funding for our operations when we need it, and funding shortages or maturity mismatches or increases in funding costs could materially and adversely affect our business, financial condition and results of operations.***

We meet most of our funding requirements through short-term and medium-term funding sources, primarily in the form of customer deposits. Short-term deposits are those with a maturity not exceeding one year. Medium-term deposits are those with a maturity of greater than one year but not exceeding three years. A portion of our assets has long-term maturities, which sometimes causes funding mismatches. In the past, a substantial portion of our customer term deposits has been rolled over upon maturity and has been, over time, a stable source of funding. However, if a substantial number of our depositors do not roll over term deposits upon maturity, our liquidity position will be adversely affected. We may also face a concentration of deposits by our larger depositors. Any sudden or large withdrawals by such large depositors or group of large depositors may impact our liquidity position. As such, we may be required to seek more expensive sources of funding to finance our operations, which would result in a decline in our net profits and have a material adverse effect on our business, financial condition, results of operations, and prospects.

Apart from the above short-term and medium-term funding sources, our other sources of funding (other than equity share capital and share premium) are primarily institutional and inter-bank borrowings, long-term tier II debt, perpetual debt instruments and foreign currency borrowings. Failure to obtain these

sources of funding or replace them with fresh borrowings or deposits at competitive rates may materially and adversely affect our business, financial condition and results of operations.

We face pre-payment risk on our loans, which may result in losing future interest and reduced cash flow if the proceeds are re-invested at lower interest rates. In certain products, we may not be able to collect prepayment charges. The Bank is not permitted to charge foreclosure charges or pre-payment penalties on all floating rate term loans sanctioned to individual borrowers.

Our cost of funds is sensitive to interest rate fluctuations, which exposes us to the risk of reduction in spreads, which is the difference between the returns that we earn on our advances as well as our investments and the amounts that we must pay to fund them, on account of changing interest rates.

The pricing on our issuances of debt will also be negatively impacted by any downgrade or potential downgrade in our credit ratings. This would increase our financing costs, and adversely affect our future issuances of debt and our ability to raise new capital on a competitive basis.

In addition, any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may have a similar effect on our ability to raise additional financing and the terms at which such financing is available. This could have an adverse effect on our business, profitability and the ability to fund our growth. In addition, attracting customer deposits in the Indian market is competitive. If we fail to sustain or achieve the growth rate of our deposit base, including our CASA base, our business may be adversely affected. The rates that we must pay to attract deposits are determined by numerous factors, such as the prevailing interest rate structure, competitive landscape, Indian monetary policy and inflation. For example, in October 2011, the RBI deregulated interest rates on savings bank deposits, which resulted in certain banks increasing their interest rates, leading to increased competition in this area. In the event that our spreads decrease, it may have a material adverse effect on our business, financial condition, results and cash flow.

7. *Our banking and insurance businesses are particularly vulnerable to interest rate risk and volatility in interest rates could materially adversely affect our net interest margin, pension liabilities and our financial performance.*

Our results depend to a great extent on our net interest income in particular at the Bank and the three NBFCs, whose primary revenue source is interest income, as well as at our insurance companies, who invest in interest-earning securities. During fiscal year 2018, 2017 and 2016, interest earned for the Bank represented 83.0%, 83.6% and 86.2% of its total income (interest earned plus other income) on a standalone basis while interest earned for Group represented 64.7%, 65.7% and 72.8% of our total income (interest earned plus other income) on a consolidated basis. Changes in market interest rates affect the interest rates charged on our interest-earning assets differently from the interest rates paid on our interest-bearing liabilities and also affect the value of our investments. An increase in interest rates could result in an increase in interest expense relative to interest income if we are not able to increase the rates charged on our advances, which would lead to a reduction in our net interest income and net interest margin. Further, an increase in interest rates could negatively affect demand for our loans and credit substitutes and we may not be able to achieve our volume growth, which could materially adversely affect our net profits. A decrease in interest rates could result in a decrease in interest income relative to interest expense due to the repricing of our loans at a pace faster than the rates we pay on our interest-bearing liabilities. The quantum of the changes in interest rates for our assets and liabilities may also be different. In order to attract savings deposits, we provide attractive interest rates of up to 6% for our domestic savings accounts. If the interest rate were to fluctuate, this could materially and adversely affect our net interest margin.

We also have a defined benefit pension scheme in respect of pensions payable to certain eIVBL employees under the IBA structure. If interest rates were to fall, our liabilities under the pension plan will increase, which would impact our profits.

Moreover, changes in interest rates could affect our fixed income portfolio and treasury income. See "*Risk Factors - Our treasury income, debt investment portfolio and derivatives portfolio is exposed to risks relating to mark-to-market valuation, illiquidity, credit risk and income volatility. Any such losses could materially and adversely affect our business, financial condition and results of operations.*" for a discussion of risks relating to our treasury income and fixed income portfolio.

Life Insurance is a long term business and therefore exposed to risk of future interest rate changes. Some of our key products have guaranteed or semi-guaranteed benefits, any fall in future interest rates could reduce our investment returns and spread and thus materially and adversely affect our insurance businesses and investment returns, which in turn could have a material adverse effect on our business, financial condition, results of operations and prospects.

A decline in interest rates could not only result in an increase in the value of our existing fixed income assets calculated based on fair value, but could also result in reduced returns on investment from our newly added fixed income assets and thus materially reduce our profitability. During periods of declining interest rates, our average investment yield may be affected as our maturing investments and bonds that are redeemed or prepaid to take advantage of the lower interest rate environment may have to be replaced with new investments carrying lower yields, thus reducing our investment margins and investment income.

An increase in interest rates could also negatively affect our profitability. An increase in interest rates could not only result in an increase in investment returns on our newly added fixed income assets, but could also result in reduced value of our existing fixed income assets calculated based on fair value. While the increased investment yield will increase the returns on investment from newly added assets in our investment portfolios, surrenders and withdrawals of existing insurance policies may increase as policyholders may seek to buy products with perceived higher returns. These surrenders and withdrawals may result in payments by us requiring the sale of invested assets at a time when the prices of those assets are adversely affected by the increase in market interest rates, potentially resulting in realised investment losses. These payments to policyholders would result in a decrease in total invested assets and a potential decrease in net income.

8. ***We could experience a decline in our revenue generated from activities in the capital markets if there is a prolonged or significant downturn on the Indian stock exchanges, or we may face difficulties in procuring required regulatory approvals for our business if we fail to meet regulatory limits on capital market exposures.***

The Bank and a number of our Subsidiaries, such as our broking, asset management and investment banking subsidiaries, provide a variety of services and products to participants involved with the Indian stock exchanges. The Bank offers working capital funding and margin guarantees to share brokers, personal loans secured by shares, IPO finance for retail customers, stock exchange clearing services, collecting bankers to various public issues, and depository accounts. Similarly, through our Subsidiaries, we offer capital markets financing, broking services, distribution of IPO, Gold ETFs and mutual funds, and investment banking services. If there is a prolonged or significant downturn or extreme volatility on the Indian stock exchanges, our revenue generated from these products and services may decrease, which would have a material adverse effect on our financial condition. In our insurance subsidiary, a portion of investment returns comes from investments in the equity markets in India. Any decline in stock prices or dividends from stocks could negatively affect our net investment income and fund management fees.

We are required to maintain our exposure to capital markets within the regulatory limits prescribed by the RBI. Our capital markets exposures consist primarily of investments in equity shares, loans to share brokers and financial guarantees issued to stock exchanges on behalf of share brokers.

As per RBI norms, a bank's capital market exposure (both fund-based and non-fund-based) is limited to 40% of its last audited net worth under Indian GAAP, both on a consolidated and standalone basis. Our capital market exposure as of March 31, 2018 was within the prescribed limits. In the future, if we breach these regulatory limits, we may face regulatory actions that may have a material adverse effect on our business, operations and reputation.

9. ***We face the threat of fraud and cyber attacks, such as hacking, phishing, trojans and advanced persistency threats, attempting to exploit our network to disrupt services to customers and/or theft of sensitive internal Bank data or customer information. This may cause damage to our reputation and adversely impact our business and financial results.***

We offer online banking services to our customers. Our online banking channel includes multiple services such as electronic funds transfer, bill payment services, usage of credit cards on-line, requesting account statements, and requesting cheque books. Our systemic and operational controls may not be adequate to prevent adverse impact from frauds, errors, hacking and system failures. Further, our mobile and internet

based customer applications and interfaces may be open to being hacked or compromised by third parties, resulting in thefts and losses to our customers and us.

Some of these cyber threats from third parties include: (a) phishing and trojans – targeting our customers, wherein fraudsters send unsolicited mails to our customers seeking account sensitive information or to infect customer machines to search and attempt ex-filtration of account sensitive information; (b) hacking – wherein attackers seek to hack into our website with the primary intention of causing reputational damage to us by disrupting services; (c) data theft – wherein cyber criminals may attempt to intrude into our network with the intention of stealing our data or information; and (d) advanced persistency threat – network attack in which an unauthorized person gains access to our network and remains undetected for a long period of time. The intention of this attack is to steal our data or information rather than to cause damage to our network or organization. Attempted cyber threats fluctuate in frequency but are generally not decreasing in frequency. Not only are we exposed to such risks from our own actions or those of our employees, but from actions of our third party service providers, over whom we do not have full control. If we suffer from any of such cyber threats, it could materially and adversely affect our business, financial condition and results of operations.

A significant system breakdown or system failure caused due to intentional or unintentional acts would have an adverse impact on our revenue-generating activities and lead to financial loss.

There is also the risk of our customers blaming us and terminating their accounts with us for a cyber-incident that might have occurred on their own system or with that of an unrelated third party. The RBI has, on June 2, 2016, issued a framework for cyber- security for banks, prescribing measures to be adopted by banks to address security risks including putting in place a cyber- security policy and requiring banks to report all unusual cyber-security incidents to the RBI. Any cyber-security breach could also subject us to additional regulatory scrutiny and expose us to civil litigation and related financial liability.

Although we have established a geographically remote disaster recovery site to support critical applications, it is possible the disaster recovery site may also fail or it may take considerable time to make the system fully operational and achieve complete business resumption using the alternate site. Therefore, in such a scenario, where the primary site is completely unavailable, there may be significant disruption to our operations, which would materially adversely affect our reputation and financial condition.

Our reputation could be adversely affected by fraud committed by employees, customers or outsiders, or by our perceived inability to properly manage fraud-related risks. Our inability or perceived inability to manage these risks could lead to enhanced regulatory oversight and scrutiny.

10. ***Differences between our actual benefits and claim payments and those assumptions and estimates used in the pricing of, and setting reserves for, our insurance products could have a material adverse effect on our business, financial condition, results of operations and prospects.***

We price our insurance products based on assumptions for benefits and claim patterns. Our insurance earnings depend significantly upon the extent to which actual claims and benefits are consistent with the assumptions used in pricing our insurance products and determining the appropriate amount of policy reserves. Such assumptions include future mortality and morbidity rates. Although our annuity portfolio is small, we are exposed to longevity risk for this portfolio. If actual mortality rates are lower than those expected for annuitants, it could have a material adverse effect on our profitability. In respect of our products that offer death and morbidity related benefits, actual mortality and morbidity rates that are higher than those projected could have a material adverse effect on our business, financial condition, results of operations and prospects. Mortality risk, i.e., the risk of higher mortality than expected, is more significant for our pure protection products as compared to our other products which offer both protection benefits as well as savings. Our pure protection portfolio currently represents a small proportion of our product portfolio. However, we have been increasingly focusing on protection business in recent years. Although we transfer a significant proportion of our mortality risk exposure to reinsurers, if our protection portfolio grows significantly, we would still have a significant exposure to mortality risk. Further, in recent years, we have released various new insurance products. The assumptions used in pricing such products involve an elevated degree of uncertainty, as they are often based on limited experience when compared to assumptions used for existing products. In addition to the assumptions mentioned above, we use policyholder data and various other third-party data as inputs to our models, which could be inaccurate or incomplete. Also, the models we use to value our expected benefits and claim payments themselves could

be incorrect. As we increase the number and complexity of products we offer, the likelihood of an inaccuracy in our models may also increase. Therefore, if our actual benefits and claim payments experience are worse than our assumptions used in the pricing of our products or if we rely on inaccurate internal or third-party data or models, it could have a material adverse effect on our business, financial condition, results of operations and prospects. We establish liabilities to provide for future obligations under our insurance products. However, reserves do not represent an exact calculation of liability, but are estimates of expected net future policy benefits and claims payments. The assumptions used to set our reserves and our estimates require significant judgement and, therefore, are inherently uncertain. We cannot determine with precision the ultimate amounts that we will pay for actual benefit and claim payments, the timing of those payments, or whether the assets supporting our liabilities will increase to the levels we estimate before payment of benefits or claims.

11. ***We have undertaken, and may continue to undertake, strategic investments, acquisitions and joint ventures, which may not perform in line with our expectations.***

In FY 2016, we concluded the merger of eIVBL into the Bank. The Life Insurance business, until last year, was a joint venture between Kotak Mahindra Bank and Old Mutual with the ownership ratio of 74:26, between the two entities. We bought Old Mutual's stake in October 2017, and now Kotak Life is a 100% subsidiary of the Bank. During FY 2018, the Bank acquired BSS Microfinance Limited ("**BSS**") and it is now a wholly owned subsidiary of the Bank. We may, depending on our management's view and market conditions, pursue additional strategic investments, undertake acquisitions and enter into joint ventures. We cannot assure you that we will be able to undertake such strategic investments, acquisitions (including by way of a merger, or share or asset acquisition) or joint ventures in the future, either on terms acceptable to us or at all. Moreover, we require regulatory approval for acquisitions, and we cannot guarantee that we will receive such approvals in a timely manner, or subject to any conditions, or at all. Any inability to identify suitable acquisition targets or investments or failure to complete such transactions may adversely affect our competitiveness or growth prospects.

We regularly conduct feasibility studies and evaluate the commercial risks of any planned acquisition, investment and joint venture arrangement to ensure that such a transaction is in line with our strategy and business plan. For instance, one of the rationales for pursuing the eIVBL Scheme was to expand our branch network in Southern India and to increase our portfolio of SME customers. We have historically entered into partnerships and joint ventures to expand our service offering. However, there can be no assurance that our strategy or related evaluative processes will be successful in ensuring that the expected strategic benefits of our current or future acquisitions, investments or joint ventures will be realised or that our profitability will not be adversely affected.

Acquisitions, joint ventures or strategic investments may involve a number of special risks, including, but not limited to:

- the obligation to maintain our shareholding level or to comply with maximum or minimum shareholding levels, which could require us to purchase shares in rights issues or other capital raising activities and to seek RBI approval or that of other regulatory authorities, which we cannot guarantee will be forthcoming;
- higher provisioning, impacting our overall asset quality and leading to adverse effects on our reported operating results;
- difficulties in retaining customers or certain contracts;
- recruitment, training and retention of management;
- operational and financial systems and controls to handle the increased complexity and expanded breadth and geographic area of our newly acquired operations;
- satisfactory performance by our joint venture partners of their contractual obligations, and any disagreement or deadlock with them;
- difficulties assimilating and integrating our operations with that of the acquired entity or investment or joint venture partner;

- difficulties determining, evaluating and managing the risks and uncertainties in entering new markets and acquiring new businesses;

- difficulties in evaluating the contractual, financial, regulatory, environmental and other obligations and liabilities associated with our acquisitions, joint ventures and investments, including the appropriate implementation of financial oversight and internal controls and the timely preparation of financial statements that are in conformity with our accounting policies;

- unanticipated liabilities or contingencies relating to the acquired entity, investment or joint venture partner;

- accurately judging market dynamics, demographics, growth potential and competitive environment; and

- obtaining, maintaining and complying with the conditions prescribed under necessary permits, certificates, licences and approvals from governmental and regulatory authorities and agencies.

If we are unable to manage one or more of the events or challenges listed above, it could have a material adverse effect on our ability to successfully complete our acquisitions, investments or joint ventures and could prevent us from achieving our strategic and financial goals and operational synergies, which in turn could have a material adverse effect on our business, results of operation, prospects and financial condition.

12. ***We depend on our brand recognition, and failure to maintain and enhance awareness of our brand would adversely affect our ability to retain and expand our base of customers.***

We believe that the strong reputation of the "Kotak" and "Kotak Mahindra" brand names are essential to our business. As such, any damage to our reputation and that of the "Kotak" or "Kotak Mahindra" brand names could substantially impair our ability to maintain or grow our business. In addition, any action on the part of our promoter or any of the companies in the Kotak Mahindra group that negatively impacts the "Kotak" or "Kotak Mahindra" brand names could have a material adverse effect on our business, financial condition and results of operations.

If we fail to maintain this brand recognition with our target customers due to any issues with our product offerings, a deterioration in service quality, or otherwise, or if any premium in value attributed to our business or to the brands under which our services are provided declines, market perception and customer acceptance of our brands may also decline. In such an event, we may not be able to compete for customers effectively, and our business, financial condition and growth prospects may be materially and adversely affected.

In addition, any unauthorized or inappropriate use of our brand, trademarks and other related intellectual property rights by others, including our Subsidiaries or third party distributors of our products, in their corporate names or product brands or otherwise could harm our brand image, competitive advantages and business and dilute or harm our reputation and brand recognition. Further, if a dispute arises with respect to any of our intellectual property rights or proprietary information, we will be required to produce evidence to defend or enforce our claims, and we may become party to litigation, which may strain our resources and divert the attention of our management. We cannot assure you that any infringement claims that are material will not arise in the future or that we will be successful in defending any such claims when they arise.

Our efforts to protect our intellectual property or proprietary information and the measures we take to identify potential infringement of our intellectual property may not be adequate to detect or prevent infringement, misappropriation or unauthorized use. The misappropriation or duplication of our intellectual property or proprietary information may disrupt our business, distract management and employees, reduce revenues and increase expenses. In addition, we may also become subject to infringement claims. Even if claims against us are not meritorious, any legal, arbitral or administrative proceedings that we may be required to initiate or defend in this regard may be time-consuming, costly and harmful to our reputation, and there is no assurance that such proceedings will ultimately be determined in our favour. Furthermore, the application of laws governing intellectual property rights in India is continuously evolving and there may be instances of infringement or passing-off of our brand in Indian markets.

Our failure to adequately protect our brand, trademarks and other related intellectual property rights may adversely affect our business, financial condition and results of operations.

13. ***Our Group's business is subject to various risks, including on account of our products or clients or agents which may subject us to substantial losses or affect our capital***.

Our Group offers various financial products to clients, which exposes us to various financial and non-financial risks. For example, as part of our broking business we allow clients to take positions on the markets, basis their margins placed with us. In the event of a volatile stock market or adverse movements in stock prices, the collateral securing the position may have decreased significantly in value, resulting in defaults by our customers. Similarly, with a decline in market trading volumes, our profitability will be adversely affected because our revenues will be reduced.

In many of our businesses, we rely on third parties to deliver products and services to customers. Any termination of our agreements with such third parties may result in loss of business for us from such parties. For example in KSL, we use services of sub-brokers or authorised persons to deliver our products and services to our customers. We may suffer reputational damage if such third parties were not to conduct business in accordance with good practices.

In our broking business we engage in arbitrage and trading opportunities using our own capital. Any error in judgment or assessment of risk, or any other mala fide representation of trade positions by our proprietary traders, or any other human or mechanical errors may result in erosion of our capital and affect our financial conditions.

Our income and profit from our asset management business depend on the total value and composition of assets under our management. Any decrease in the value or composition of assets under management will cause a decline in our income and profit. The assets under management may decline or fluctuate for various reasons, many of which are outside our control. In respect of our mutual funds business, many of our funds invest in fixed income securities, the value of which may decline as a result of changes in interest rates, an issuer's actual or perceived creditworthiness or an issuer's ability to meet its obligations. This may, accordingly, adversely affect our business, financial condition and results of operation.

14. ***Certain of our Subsidiaries, Associates and entities in which we have equity investments have incurred losses, which may affect our profitability and may lead to an erosion of the value of our investments.***

Certain of our Subsidiaries, Associates and entities in which we have equity investments have incurred losses in recent years. Any adverse impact on the business and revenue of our Subsidiaries will affect our profitability on a consolidated basis and could place the capital invested by us at risk, thereby affecting our consolidated business, profitability, financial condition and results of operation.

15. ***Any volatility in housing or real estate prices may have an adverse impact on our business and our growth strategy.***

We have exposure to the real estate sector, including through home loans, loan against property, lease rental discounting, loans to developers and commercial real estate loans. Accordingly, we are exposed to the effects of volatility in real estate prices. Any sudden or sharp movement in housing or commercial real estate prices may adversely affect the demand and the quality of our portfolio which may have an adverse impact on our business and growth strategy. Any adverse impact on the real estate sector due to changing regulations may diminish the value of our collateral which may affect our business and results of operations in the event of a default in repayment by borrowers. Also, if any of the projects which form part of our collateral are stalled for any reason for any length of time, the same may affect our ability to enforce its security, thereby effectively diminishing the value of such security.

16. ***The Real Estate (Regulation and Development) Act, 2016 (the "RERA") was introduced to regulate the real estate industry and protect customer interests. Any slowdown in the housing finance industry as a result of RERA may adversely our business***

The Government notified the RERA in the official gazette on March 25, 2016. The RERA was introduced to regulate the real estate industry and ensuring protection of customer interest. The RERA imposes certain obligations on real estate developers, including mandatory registration of real estate projects, prohibition on advertisements or accepting advances unless real estate projects are registered under RERA, maintenance of

a separate escrow account for amounts realized from each real estate project and restrictions on withdrawal of amounts from such escrow accounts and taking customer approval for major changes in sanctions plan. In addition, real estate developers will have to comply with state specific legislations which may be enacted by the respective state government due to the introduction of RERA. Any slowdown in the housing finance industry as a result of RERA may adversely affect our business.

17. ***Any adverse developments in the asset backed financing industry could adversely affect our business and results of operations.***

The Group has a significant portfolio in asset backed financing for cars, commercial vehicles, construction equipment and tractors. The success of our business depends on various factors that affect demand for such assets, including the demand for transportation services in India, changes in Indian regulations and policies affecting utility vehicles, tractors, commercial vehicles and cars, natural disasters, calamities, fuel prices, monsoons and other macroeconomic conditions in India and globally. This may result in a decline in the sales or value of vehicles. Such factors may also affect the business of our customers, which in turn will affect their ability to perform their obligations under the existing financing agreements. Any decline in sales of, or in demand for financing for, utility vehicles, tractors, cars or commercial vehicles or non-performance of the existing financing agreements could adversely affect our business and results of operations.

18. ***In the event our customers use loans for purposes other than those stated on the loan application, it may result in customers being unable to repay such loans to us, which may have an adverse effect on our financial condition, results of operations and cash flows.***

With respect to some of our loans, we do not have any direct control over how the customer actually utilizes the loan proceeds. Although our credit appraisal system conducts a due diligence during its underwriting process and exercises caution in its lending, any use of loan proceeds for purposes outside those stated on the application may negatively affect the repayment capacity of the borrowers to repay the loan. Any failure to repay such loans could have an adverse effect on our financial condition, results of operations and cash flows.

19. ***We may engage in new businesses that may not be successful and may not meet our expectations.***

We are involved in and in the future may have further plans to be involved in new businesses, including complementary businesses, technologies, services and products, and we may enter into strategic partnerships or joint ventures with parties that we believe can provide access to new markets, technology, capabilities or assets.

These new businesses subject us to many risks, and we can provide no assurances that any such ventures will be successful or meet our expectations. In addition, these new ventures may require regulatory approvals, and we cannot assure you that we will be able to procure such approvals, either in a timely manner or at all. If these new ventures are not successful, we may suffer losses, dilute value to shareholders or may not be able to take advantage of appropriate investment opportunities or conclude transactions on terms commercially acceptable to us. These ventures may require significant investments of capital and we may not realize our expected (or any) returns on these investments. Our management may also need to divert its attention from our operations in order to integrate such new businesses, which may affect the quality of operational standards and our ability to retain the business of our existing customers. We could also have difficulty in integrating the acquired products, services, solutions, technologies, management and employees into our operations. We may face litigation or other claims arising out of our new businesses, including disputes with regard to additional payments or other closing adjustments. These difficulties could disrupt our ongoing business, distract our management and employees, and increase our expenses. As such, our business, financial condition and results of operations could be materially adversely affected.

20. ***We are expanding into new overseas jurisdictions which would involve a number of unknown factors that could materially and adversely affect our business, financial condition and results of operations.***

We are expanding our business internationally. Our international operations are subject to risks that are specific to each country and region in which we operate as well as risks associated with international operations in general. These risks included:

- unfamiliar and potentially complex regulations and regulatory frame works and environments in the new jurisdictions;
- changes in laws, regulations and policies of India and of each particular country in which we will operate in;
- trade restrictions (including foreign trade and investment);
- currency exchange controls and currency fluctuations;
- cultural and language barriers and customer behaviour and preferences that are different from those in India and that we may not understand or be able to address;
- political and macro-economic risks;
- interest rates and the availability of credit;
- property and contractual rights;
- where and to whom products may be sold;
- taxes;
- regulations associated with financial product liability;
- volatility in the industries and markets in which we operate;
- varying and unpredictable requirements and preferences of customers;
- the behaviour of our competitors;
- labour disruptions;
- natural disasters;
- administrative difficulties, including difficulties in management of international partners;
- difficulty in understanding local business and regulatory environments;
- government instability and corruption; and
- war, civil unrest, other military action and terrorism.

Unfavourable developments in any of the above areas may create difficulties for our business. For example, we may encounter difficulties in obtaining the necessary governmental approvals in a timely manner or at all or face challenges as a result of the pervasiveness of corruption and other irregularities in business practices. Similarly, restricted access to global markets would impair our ability to grow our overseas businesses. As a result, our business, prospects, financial condition and results of operations may be adversely affected.

21. ***Our success depends, in large part, upon our management team and skilled personnel and on our ability to attract and retain such persons. Inability to attract and retain such persons may restrict our ability to grow, to execute our strategy, to raise the profile of our brand, to raise funding, to make strategic decisions and to manage the overall running of our operations, which would have a material adverse impact on our results of operations and financial position.***

We are highly dependent on the continued services of our management team, including the efforts of our Chairperson, Managing Director and Chief Executive Officer, and Joint Managing Director. The Bank complies with the RBI guidelines on Fit & Proper Criteria for Directors, relevant provisions of the Banking Regulation Act regarding Board composition, and other applicable provisions of the Companies Act, 2013.

We are also dependent on our experienced members of the Executive Board and Key Management Personnel. See the section "*Management*" for details of our Board and Executive Board. Our future performance is dependent on the continued service of these persons. Our internal retirement policy mandates a retirement age of 60 years old, which will require majority members of our Executive Board to retire within the next five years. We may not be able to replace these Executive Board members with similarly experienced professionals, which could materially and adversely impact the quality of our management and leadership team.

Our employment agreements with our management team do not obligate them to work for us for any specified period and do not contain non-compete or non-solicitation clauses in the event of termination of employment. Further, we do not maintain any "key man" insurance. If one or more of these key personnel are unwilling or unable to continue in their present positions, we may not be able to replace them with persons of comparable skills and expertise.

We also face a continuing challenge to hire and assimilate a number of skilled personnel. Competition for management and other skilled personnel in our industry is intense, and we may not be able to attract and retain the personnel we need in the future. The loss of key personnel or our inability to replace key personnel may restrict our ability to grow, to execute our strategy, to raise the profile of our brand, to raise funding, to make strategic decisions and to manage the overall running of our operations, which would have a material adverse impact on our results of operations and financial position.

22. ***We rely on models for risk analysis to guide our managerial decisions and any mis-specification, deficiencies or inaccuracies in the models and data may impact our decision-making and operations.***

As part of our ordinary decision making-process, we rely on various models for risk and data analysis. These models are based on historical data and supplemented with managerial input and comments. There are no assurances that these models and the data they analyze are accurate or adequate to guide our strategic and operational decisions and protect us from risks. Any misspecification, deficiencies or inaccuracies in the models or the data might have a material adverse effect on our business, financial condition or results of operation.

23. ***We could be subject to claims by our customers and/or regulators for alleged mis-selling of our products.***

We sell insurance through Kotak Mahindra General Insurance and Kotak Mahindra Life Insurance Company Limited and their intermediaries, including individual agents, corporate agents, brokers and bancassurance partners, as well as certain of our employees. Intermediaries aid the customer in choosing the correct product by advising on appropriate benefits and affordable premiums, disclosing product features and advising on whether to continue with a particular product or switch products.

We also sell investment products through our investment advisory unit within the Bank. Our investment advisory unit introduces and advises our customer as to the different types of products available for their investments and aids the customer in choosing appropriate products which suits their risk profile. Our investment advisory unit has received customer complaints previously but has not been involved in any material legal disputes with our customers. Our treasury group also deals with foreign currency and derivative products and offers them to customers.

Under certain circumstances, customers may claim that our sales process is inadequate or that there was misconduct on the part of our employees or intermediaries at the time of signing of the policy contract or during the course of customer service. Such misconduct could include activities such as making non-compliant or fraudulent promises of high returns on investments and recommending inappropriate products and fund management strategies. We may be subject to claims by customers for such alleged instances of mis-selling. In some instances, we may also have paid a commission to the intermediary prior to a claim of mis-selling by our customers, and if we have to refund the customer but are unable to recover such commission, we might face significant losses. In addition, regulators may attribute the mis-selling activities of intermediaries to us and impose penalties on us for non-compliance with relevant laws and regulations.

It is also possible that a third party aggregates a number of individual complaints against us with the intention of obtaining increased negotiating power. This could result in significant financial losses to us as well as loss of our reputation. Further, persons may also misrepresent themselves as agents of the Bank to

defraud customers and such aggrieved customers, have filed and, in the future, may file complaints against us.

Cases of mis-selling, or recurring cases of mis-selling which are sub judice or initiated against us, could result in substantial claims and fines and could have a material adverse effect on our business, financial condition, results of operations and reputation.

24. ***Our business and financial results could be impacted materially by adverse results in legal proceedings.***

There are outstanding legal proceedings involving our Bank which are primarily incidental to our business and operations. These proceedings are pending at different levels before various courts, tribunals, quasi-judicial authorities and appellate tribunals. Any adverse decision in any of these cases may adversely affect our reputation and financial condition. No assurance can be given as to whether these proceedings will be settled in our favour or against us. If any new developments arise, for example, rulings against us by the appellate courts or tribunals, we may face losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities. If a claim is determined against us and we are required to pay all or a portion of the disputed amount, it could have an adverse effect on our results of operations and cash flows. Further, we may incur significant expenses and management time in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities.

We establish reserves for legal claims when payments associated with claims become probable and the costs can be reasonably estimated. We may still incur legal costs for a matter even if we have not established a reserve. In addition, the actual cost of resolving a suit, proceeding or a legal claim may be substantially higher than any amounts reserved for that matter. The final outcome of any pending or future legal proceeding, depending on the remedy sought and granted, could materially adversely affect our results of operations and financial condition.

25. ***Negative publicity could damage our reputation and adversely impact our business and financial results.***

Reputational risk, or the risk to our business, earnings and capital from negative publicity, is inherent in our business. The reputation of the banking and financial services industry in general has been closely monitored as a result of the global financial crisis and other matters affecting the financial services industry. Negative public opinion about the banking and financial services industry generally or us specifically could materially adversely affect our ability to attract and retain customers, and may expose us to litigation and regulatory action. While we have developed our brand and reputation over our history, any negative incidents or adverse publicity could rapidly erode customer trust and confidence in us, particularly if such incidents receive widespread adverse mainstream and social media publicity, or attract regulatory investigations. Negative publicity can result from our or our third-party service providers' actual or alleged conduct in any number of activities, including lending practices, mortgage servicing and foreclosure practices, technological practices, corporate governance, regulatory compliance, mergers and acquisitions, and related disclosure, sharing or inadequate protection of customer information, and actions taken by government regulators and community organisations in response to that conduct. Although we take steps to minimise reputational risk in dealing with customers and other constituencies, we, as a large financial services organisation with a high industry profile, are inherently exposed to this risk. Any damage to our brand or our reputation may result in withdrawal of business by our existing customers as well as loss of new business from potential customers.

26. ***We may breach third-party intellectual property rights which may have a material adverse effect on our business, prospects, reputation, results of operations and financial condition.***

We may be subject to claims by third parties, both inside and outside India, if we breach their intellectual property rights by using slogans, names, designs, software or other such rights that are of a similar nature to the intellectual property these third parties may have registered or are using. We might also be in breach of such third-party intellectual property rights due to accidental or purposeful actions by our employees where we may also be subjected to claims by such third parties.

Any legal proceedings that result in a finding that we have breached third parties' intellectual property rights, or any settlements concerning such claims, may require us to provide financial compensation to such third parties or stop using the relevant intellectual property (including by way of temporary or permanent

injunction) or make changes to our marketing strategies or to the brand names of our products, any of which may have a material adverse effect on our business, prospects, reputation, results of operations and financial condition.

27. ***We rely on third-party service providers who may not perform their obligations satisfactorily or in compliance with law.***

We enter into outsourcing arrangements with third party vendors, in compliance with the RBI guidelines on outsourcing. These vendors provide services which include, among others, cash management services, software services, client sourcing, debt recovery services and call centre services. However, we cannot guarantee that there will be no disruptions in the provision of such services or that these third parties will adhere to their contractual obligation. If there is a disruption in the third-party services, or if the third-party service providers discontinue their service agreement with us, our business, financial condition and results of operations will be adversely affected. In case of any dispute, we cannot assure you that the terms of such agreements will not be breached, which may result in litigation costs. Such additional cost, in addition to the cost of entering into agreements with third parties in the same industry, may materially and adversely affect our business, financial condition and results of operations. We may also suffer from reputational and legal risks if our third-party service providers act unethically or unlawfully, which could materially and adversely affect our business, financial condition and results of operations.

28. ***We do not own a majority of our branches, delivery centres or office premises from which we operate, which may materially and adversely affect our business, financial condition and results of operations in respect of such defaulting premises.***

We do not own a majority of the premises in which our branches, delivery centres and other office premises are situated. We cannot assure you that we will have the right to occupy our leased premises in the future, which may impair our operations and could materially and adversely affect our business, results of operations and financial condition.

Furthermore, some of our lease agreements and leave and license agreements may not be adequately stamped or registered with the registering authority of the appropriate jurisdiction. An instrument not duly stamped, or insufficiently stamped, shall not be admitted as evidence in any Indian court or may attract a penalty as prescribed under applicable law, which could adversely affect the continuance of our operations and business.

The majority of our offices, branches, ATMs and marketing outlets are located on premises leased from third parties, which require renewal or escalations in rentals from time to time during the lease period. If we are unable to renew the relevant lease agreements, or if such agreements are renewed on unfavourable terms and conditions, we may be required to relocate operations and incur additional costs in such relocation. We may also face the risk of being evicted in the event that our landlords allege a breach on our part of any terms under these lease agreements. This may cause a disruption in our operations or result in increased costs, or both, which may materially and adversely affect our business, financial condition and results of operations in respect of such defaulting premises.

29. ***Our insurance coverage may not be adequate to protect us against all potential losses, which may have a material adverse effect on our business, financial condition and results of operations.***

Our operations are subject to various risks inherent in the banking industry, as well as fire, theft, robbery, earthquake, flood, acts of terrorism and other force majeure events. Our insurance cover includes, among other things, protection from corporate crime, professional liability, employment practice liability, banker indemnity, employee medical and personnel accident, directors' and officers' liability and general commercial liability. We maintain insurance for our operations in India largely through third party insurers in India. None of our insurance policies are assigned in favor of any third party.

We may not have identified every risk and further may not be insured against every risk, including operational risk that may occur and the occurrence of an event that causes losses in excess of the limits specified in our policies, or losses arising from events or risks not covered by insurance policies or due to the same being inadequate, could materially harm our financial condition and future results of operations. There can be no assurance that any claims filed will be honoured fully or timely under our insurance policies. Also, our financial condition may be affected to the extent we suffer any loss or damage that is not

covered by insurance or which exceeds our insurance coverage. In addition, we may not be able to renew certain of our insurance policies upon their expiration, either on commercially acceptable terms or at all.

30. ***Deficiencies in the accuracy and completeness of information about our customers and counterparties may adversely impact us.***

We rely on the accuracy and completeness of information about our customers and counterparties, and on representations by them or third parties as to the accuracy and completeness of such information, while carrying out transactions with these entities or on their behalf. For example, when deciding whether or not to extend credit to a customer, we may rely on reports of independent auditors with respect to the financial statements of the customer. We also rely on credit ratings assigned to our customers. Our financial condition and results of operations could be negatively impacted by such reliance on information that is inaccurate or materially misleading. This may affect the quality of information available to us about the credit history of our borrowers, especially individuals and small businesses. As a consequence, our ability to effectively manage our credit risk may be adversely affected.

31. ***Any failure or material weakness of our internal control system could cause significant operational errors, which would materially and adversely affect our profitability and reputation.***

We are responsible for establishing and maintaining adequate internal measures commensurate with the size of the Bank and group companies and complexity of operations. Our internal or concurrent audit functions are equipped to make an independent and objective evaluation of the adequacy and effectiveness of internal controls on an ongoing basis to ensure that business units adhere to our policies, compliance requirements and internal circular guidelines. While we periodically test and update, as necessary, our internal control systems, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to guarantee effective internal controls in all circumstances. Given our high volume of transactions, it is possible that errors may repeat or compound before they are discovered and rectified. Our management information systems and internal control procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. If internal control weaknesses are identified, our actions may not be sufficient to fully correct such internal control weakness. We face operational risks in our various businesses within the group and there may be losses due to deal errors, settlement problems, errors in computation of net asset value, pricing errors, inaccurate financial reporting, fraud and failure of mission critical systems and infrastructure. In addition, certain processes are carried out manually, which may increase the risk that human error, tampering or manipulation will result in losses that may be difficult to detect. As a result, we may suffer material monetary losses. Such instances may also adversely affect our reputation.

32. ***Our financial performance may be materially and adversely affected by an inability to generate and sustain other income.***

In FY 2018, 2017 and 2016 we generated other income, which includes commission, exchange and brokerage income, profit / loss on sale of investments, profit / loss on revaluation of investments of insurance business, profit on exchange transactions (including derivatives) and premiums on our insurance business, of ₹ 13,682 crore, ₹ 11,660 crore and ₹ 7,631crore. This represents 35.3%, 34.3% and 27.2% of our total income for FY 2018, 2017 and 2016.

We generate a majority of our other income from the Bank and life insurance, finance, investment and stock broking subsidiaries. We are facing various pressures in these industries that may result in reduced margins going forward. In particular, the premiums and fee structures that we use in our business may be limited by existing and upcoming regulations, which may result in our being paid less overall for our services and products. Moreover, the Indian financial services sector is facing increasing competition, which might further reduce the income that we generate out of our subsidiaries. There can be no assurance that we will be able to sustain current levels of income from, or effectively manage the risks associated with, our subsidiaries' businesses in the future.

Further, as part of our growth strategy, we have been diversifying and expanding our product and service offerings to retail customers in order to build a more balanced portfolio. New initiatives, products and services entail a number of risks and challenges, including risks relating to execution, the failure to identify new segments, the inability to attract customers and the inability to make competitive offerings. If we are

unable to successfully diversify our products and services while managing the related risks and challenges, returns on such products and services may be less than anticipated, which may materially and adversely affect our business, financial condition and results of operations.

33. ***Any worldwide financial instability could influence the Indian economy and affect our business.***

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and indirectly in the Indian economy in general. Any financial instability in the global markets could have a negative influence on the Indian economy and on other economies in which the Group operates, including the United States, the United Kingdom, the United Arab Emirates and Singapore. While legislators and financial regulators across the globe including in the United States, the United Kingdom, the United Arab Emirates, Singapore and India, have implemented several measures designed to add stability to the financial markets, these may not have the intended stabilizing effects. Furthermore, in several parts of the world, there are signs of increasing retreat from globalisation of goods, services and people, as pressure for the introduction of a protectionist regime is building and such developments could adversely affect the Indian economy. In the event that the conditions in the global credit markets are adverse, or if there are any significant financial disruption, this could have an adverse effect on our business, financial condition and results of operations.

There is a risk that a systemic shock could occur that causes an adverse impact on domestic or global financial systems. During the past decade the financial services industry and capital markets have been, adversely affected by market volatility, global economic conditions and political developments. A global shock could result in currency and interest rate fluctuations and operational disruptions that negatively impact the Group. Any such market and economic disruptions could adversely affect financial institutions and demand for the products and services we provide may decline, thereby reducing our earnings. These conditions may also affect the ability of our borrowers to repay their loans or our counterparties to meet their obligations, causing us to incur higher credit losses. These events could also result in the undermining of confidence in the financial system, reducing liquidity, impairing our access to funding and impairing our customers and counterparties and their businesses. If this were to occur, our business prospects, financial performance or financial condition could be adversely affected. The nature and consequences of any such event are difficult to predict and there can be no certainty that we could respond effectively to any such event.

34. ***Any failure of a bank in India or one of our key overseas correspondent banks would materially and adversely affect our business.***

Our business relies heavily on our overseas correspondent banks to facilitate our international transactions. In India, the banking industry is also inter-dependent to facilitate domestic transactions. There is no assurance that our overseas correspondent banks or our domestic banking partners will not fail or face financial problems. If any bank in India, especially a private bank, or any of our key overseas correspondent banks were to fail, this would materially and adversely affect our business, financial condition and results of operations.

35. ***Our hedging strategies may not be successful in preventing all risk of losses.***

We may utilize a variety of financial instruments, such as derivatives, options, interest rate swaps, caps and floors, futures and forward contracts to seek to hedge against any decline in value of our assets as a result of changes in currency exchange rates, certain changes in the equity markets and market interest rates and other events. Hedging transactions may also limit the opportunity for gain if the value of the hedged positions should increase, it may not be possible for us to hedge against a change or event at a price sufficient to fully protect our assets from the decline in value of the positions anticipated as a result of such change. In addition, it may not be possible to hedge against certain changes or events at all. While we may enter into such transactions to seek to reduce currency exchange rate and interest rate risks, or the risks of a decline in the equity markets generally or one or more sectors of the equity markets in particular, or the risks posed by the occurrence of certain other events, unanticipated changes in currency or interest rates or increases or smaller than expected decreases in the equity markets or sectors being hedged or the non-occurrence of other events being hedged may result in a poorer overall performance for the Group than if we had not engaged in any such hedging transaction. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the position being hedged may vary. Moreover, for a variety of reasons, we may not seek to establish a perfect correlation between

such hedging instruments and the positions being hedged. Such imperfect correlation may prevent us from achieving the intended hedge or expose the Group to additional risk of loss.

36. ***Our treasury income, debt investment portfolio and derivatives portfolio are exposed to risks relating to mark-to-market valuation, illiquidity, credit risk and income volatility. Any such losses could materially and adversely affect our business, financial condition and results of operations.***

The Bank had debt investment portfolio (consists of government securities, treasury bills and other debt securities) in available for sale and held for trading of ₹ 33,568 crore as of March 31, 2018. We run value-at-risk tests to manage risks in our investments, but in the event interest rates rise, our portfolio will be exposed to the adverse impact of the mark-to-market valuation of such bonds. Any rise in interest rates leading to a fall in the market value of such debentures or bonds may materially and adversely affect our business, financial condition and results of operations. We face income volatility due to the illiquid market for the disposal of some of debt investment portfolio.

Income from the Bank's sale of investments comprised 1.6%, 3.8% and 2.2% of the Bank's total net income (which comprises net interest income plus other income) on a standalone basis for fiscal year 2018, 2017 and 2016.

Our income from treasury operations at both the Bank and certain Subsidiaries, (including Kotak Life), is subject to volatility due to, among other things, changes in interest rates and foreign currency exchange rates as well as other market fluctuations. For example, an increase in interest rates may have a negative impact on the value of certain investments such as Government securities and corporate bonds and may require us to mark down the value of these investments on our balance sheet and recognize a loss on our income statement. Similarly, our derivative portfolio is subject to fluctuations in interest rates and foreign exchange rates, and any movement in those rates may require us to mark down the value of our derivatives portfolio. While we invest in corporate debt instruments as part of our normal business, we are exposed to risk of the issuer defaulting on its obligations. Changes in corporate bond spreads also affect valuations and expose us to risk of valuation losses. Although we have risk and operational controls and procedures in place for our treasury operations, such as sensitivity limits, VaR limits, position limits, stop loss limits and exposure limits, that are designed to mitigate the extent of such losses, there can be no assurance that we will not lose money in the course of trading on our fixed income book in held for trading and available-for-sale portfolio. Any such losses could materially and adversely affect our business, financial condition and results of operations.

37. ***Our ability to resolve our loans and NPAs and enforce collateral and security is subject to inter-creditor arrangements with other lenders, various regulations and multiple regulators with concurrent jurisdiction, which may impact the timing of our enforcement actions as well as the total amount we recover.***

Our total gross standard restructured advances as on March 31, 2018, 2017 and 2016 were ₹ 148 crore, ₹ 132 crore and ₹ 270 crore, respectively, on a standalone basis. We resolve assets based on a borrower's potential to restore its financial health. However, there can be no assurance that borrowers will be able to meet their obligations under such resolution plans and certain assets may potentially turn delinquent. Any resulting increase in delinquency levels from such failed resolution plans may adversely impact our business, financial condition and results of operations. We also have investments in security receipts arising from the sale of non-performing assets to asset reconstruction companies. There can be no assurance that asset reconstruction companies will be able to recover these assets and redeem our investments in security receipts and that there will be no reduction in the value of these investments.

In addition to the debt recovery and security enforcement mechanisms available to lenders under DRT Act and the SARFAESI Act. The Indian parliament enacted the Insolvency and Bankruptcy Code, 2016 to provide a consolidated framework to address the concerns of lenders and to provide corporate debtors with an exit mechanism. Additionally, the Banking Regulation (Amendment) Act, 2017 states that the central Government may by order authorize the RBI to issue directions to banking companies to initiate insolvency proceedings under the Insolvency and Bankruptcy Code, 2016. Further, the RBI may issue directions to banking companies for the resolution of stressed assets.

However, there can be no assurance that these regulatory measures will have a favourable impact on our efforts to recover NPAs. Any failure to recover the expected value of collateral would expose us to potential

loss. Banks in India are also required to share data with each other on certain categories of special mention accounts, and formulate resolution plans for resolution of these accounts.

In February 2018, the RBI scrapped all the past restructuring mechanisms such as Corporate Debt Restructuring and Strategic Debt Restructuring ("**SDR**") and said if a borrower delays in payment for even one day, this should be seen as a stress and lenders should begin resolution of the stressed assets. The RBI has also identified a list of financial difficulty signs, including the failure or anticipated failure to make timely payment of instalments of principal and interest on term loans, delay in meeting the commitments and crystallised liabilities under letters of credit and bank guarantees. In respect of accounts with aggregate exposure of the lenders at ₹ 2,000 crores or above, on or after March 1, 2018, including those where a resolution might have been initiated under any of the existing schemes, as well as accounts classified as restructured standard assets, a Resolution Plan ("**RP**") will be implemented within 180 days from the reference date. If in default after the reference date, 180 days from the date of the first such occurrence, the new rule mandates lenders to initiate insolvency resolution under the Bankruptcy Code.

38. ***A delay in the resolution of stressed assets and increased provisioning norms may adversely affect our business, results of operations and financial condition.***

Resolution of large borrowers' accounts which are facing severe financial difficulties may require coordinated deep financial restructuring, which often involves a substantial write-down of debt and/or making of large provisions. The RBI released a discussion paper on the dynamic loan loss provisioning framework in March 2012, with the objective of limiting the pro-cyclicality in loan loss provisioning during an economic cycle. The framework proposes to replace existing general provisioning norms and recommends that banks make provisions on their loan books every year based on their historical loss experience in various categories of loans. In years where the specific provision is higher than the computed dynamic provision requirement, the existing dynamic provision balance can be drawn down to the extent of the difference, subject to a minimum specified level of dynamic provision balance being retained. Any further increase by the RBI of the provisioning requirements may adversely affect our business, results of operations and financial condition.

39. ***Our unsecured loan portfolio is not supported by any collateral that could help ensure repayment of the loan, and in the event of non-payment by a borrower of one of these loans, we may be unable to collect the unpaid balance.***

We offer unsecured personal loans and credit cards to the retail customer segment, including salaried individuals and self- employed professionals. In addition, we offer unsecured loans to corporates, small businesses and individual businessmen. Unsecured loans are at higher credit risk for us than our secured loan portfolio because they may not be supported by realisable collateral that could help ensure an adequate source of repayment for the loan. Although we may obtain direct debit instructions or post-dated checks from our customers for our unsecured loan products, we may be unable to collect in part or at all in the event of non-payment by a borrower. Further, any increase in delinquency in our unsecured loan portfolio could require us to increase our provision for credit losses, which would decrease our earnings.

40. ***Devolvement of our off-balance sheet liabilities could adversely affect our financial condition.***

As of March 31, 2018, we had total contingent liabilities (as per Banking Regulation Act and Accounting Standard 29) as per the Consolidated Financial Statements of ₹ 209,758 crore. Our off-balance sheet liabilities consist of, among other things, liability on account of forward exchange and derivative contracts, guarantees and claims not acknowledged as debts. In case of derivative contracts, we face potential losses if counterparties default due to adverse market movements. We are subject to credit risk on our off balance sheet commitments in the event that any of the above liabilities crystallizes, we may be required to honour the demands raised. If we are unable to recover payment from our customers in respect of the commitments that we are called upon to fulfil, our business financial conditions, result of operations and prospects may be adversely impacted.

41. ***Significant deviations from our assumptions regarding future persistency, coupled with mass surrenders of policies, could have a material adverse effect on our business, financial condition, results of operations and prospects.***

We use models and estimates to anticipate the overall level of policy surrenders, withdrawals and lapses in a given period. The occurrence of unusual events that have significant or lasting impact, such as sharp declines in income of customers, changes in applicable government policies, loss of customer confidence in the insurance industry, may trigger mass surrenders, withdrawals and lapses of insurance policies, thus reducing our persistency. Increased volatility in the capital markets could trigger mass surrenders in unit linked portfolio, thus reducing our persistency.

Since the prices and expected future profitability of our products are based in part upon expected patterns of premiums and assumptions related to persistency, if the actual persistency of our products is different from our persistency assumptions, it could have a material adverse impact on our business and profitability.

In addition, if mass surrenders were to occur, we would have to sell our investment assets to cover the significant amount of surrender payments. If concentrated surrenders were to occur, we may be unable to sell our investment assets at favourable prices or in a timely manner to cover the significant level of surrender payments, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

42. *The actuarial valuations of liabilities for our insurance policies with outstanding liabilities are not required to be audited and if such valuation is incorrect, it could have an adverse effect on our financial condition.*

The actuarial valuation that we use to estimate our liabilities for our insurance policies with outstanding liabilities are performed by an appointed actuary. In India, appointed actuaries of an insurance company certify such valuations and that in their opinion, the assumptions for such valuations are in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with the IRDAI. Our auditors rely upon our appointed actuary's certificate and do not review or audit such valuation independently, which practice might differ from other jurisdictions. If the assumptions and/or models used to conduct such an actuarial valuation of our liabilities are incorrect, or if there is an error in a calculation, it could have an adverse effect on our financial condition, given that there is no independent assurance on the actuarial liabilities through an audit process. We continually monitor the assumptions used in the calculation of reserves such as discount rates, mortality, morbidity, expenses including expense inflation, persistency, revival and free look cancellations. If we conclude that our reserves are insufficient to cover actual or expected policy benefits and expenses, we would be required to increase our reserves and incur income statement charges for the period in which we make the determination, and may lead to an increase in our pricing of certain products, which could have material adverse effect on our business, financial condition and results of operations.

43. *The actuarial valuation of retiral benefits is carried out by an independent actuary and if such valuation is incorrect, it could have an adverse effect on our financial condition.*

The Bank operates defined benefit schemes such as gratuity and pension (employees of eIVBL covered under the IBA structure) for its employees. No new members are accepted into the pension plan. Under defined benefit plans, there is an obligation to pay defined future benefits from the time of retirement. The calculation of the net obligation is based on valuations made by external actuaries who are qualified to do such valuations and estimations. These valuations rely on assumptions about a number of variables, including discount rate and mortality rates and salary increases. The company and auditors rely on the valuations done by actuaries. Actuarial risk arises as estimated value of the defined benefit scheme liabilities may increase due to changes in actuarial assumptions.

44. *Changes in our pension liabilities and obligations could have a materially adverse effect on us.*

We operate a defined benefit pension scheme in respect of certain erstwhile eIVBL employees under the IBA structure. The pension fund is administered by the board of trustees and managed by a life insurance company. Should the value of assets to liabilities in respect of the defined benefit scheme operated by us record a deficit, due to either a reduction in the value of the pension fund assets (depending on the performance of financial markets) and/or an increase in the pension fund liabilities due to changes in legislation, mortality assumptions, discount rate assumptions, inflation, the expected rate of return on scheme assets, or other factors, this could result in us having to make increased contributions to reduce or satisfy the deficits which would divert resources from use in other areas of our business and reduce the bank's capital resources.

45. ***We rely extensively on our information technology systems and the telecommunications network in India, which require significant investment and expenditure for regular maintenance, upgrades and improvements. Failure in our system may materially and adversely affect our business, financial condition and results of operations.***

Our information technology systems are a critical part of our business that help us manage, among other things, our risk management, deposit servicing and loan origination functions, as well as our increasing portfolio of products and services. We are heavily reliant on our technology systems in connection with financial controls, risk management and transaction processing. In addition, our delivery channels include ATMs, call centres, mobile applications and the internet. Our offline and online business channel networks are dependent on a dense, comprehensive telecommunications network in India. While deregulation and liberalisation of telecommunications laws have prompted the steady improvement in local and long-distance telephone services, telephone network coverage and accessibility is still intermittent in many parts of India. Failure by the Indian telecommunications industry to improve network coverage to meet the demands of the rapidly growing economy may affect our ability to expand our customer base, acquire new customers or service existing customers by limiting access to our services and products. This may materially and adversely affect our business, financial condition and results of operations.

In addition, our digital platform provides both internet and mobile application based banking services which includes multiple services such as electronic funds transfer, bill payment services, usage of credit cards on-line, requesting account statements, and requesting cheque books. These services are highly dependent on our ability to efficiently and reliably process a high volume of transactions across numerous locations and delivery channels. We place heavy reliance on our technology infrastructure for processing this data; therefore, ensuring system security and availability is of paramount importance.

Our success will depend, in part, on our ability to respond to new technological advances and emerging banking, capital markets, and other financial services industry standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that we will successfully implement new technologies or adapt our transaction processing systems to customer requirements or improving market standards.

We use our information systems and the internet to deliver services to, and perform transactions on behalf of, our customers and we may need to regularly upgrade our systems, including our software, back-up systems and disaster recovery operations, at substantial cost so that it remains competitive. Our hardware and software systems are also subject to damage or incapacitation by human error, natural disasters, power loss, sabotage, computer viruses and similar events or the loss of support services from third parties such as internet service providers. There is no warranty under our information technology licence agreements that the relevant software or system is free of interruptions, will meet our requirements or be suitable for use in any particular condition. So far, we have not experienced widespread disruptions of service to our customers, but there can be no assurance that we will not encounter disruptions in the future due to substantially increased numbers of customers and transactions, or for other reasons. Any inability to maintain the reliability and efficiency of our systems could adversely affect our reputation, and our ability to attract and retain customers. In the event we experience system interruptions, errors or downtime (which could result from a variety of causes, including changes in customer use patterns, technological failure, changes to systems, linkages with third-party systems and power failures), we are unable to develop necessary technology or any other failure occurs in our systems, this may materially and adversely affect our business, financial condition and results of operations.

46. ***Our financial performance may be materially and adversely affected by an inability to respond promptly and effectively to new technology innovations.***

Currently, technology innovations in mobilisation and digitisation of financial services require banks to continuously develop new and simplified models for offering banking products and services. Disruptive technology and new models of banking or other financial services that utilise such technology, such as micro-financing and peer-to-peer lending, might also materially and adversely affect our financial performance.

Such technologies could increase competitive pressures on banks, including us, to adapt to new operating models and upgrade back-end infrastructure on an ongoing basis. There is no assurance that we will be able to continue to respond promptly and effectively to new technology developments, be in a position to

dedicate resources to upgrade our systems and to compete with new players entering the market. Please see related risk factor "*We rely extensively on our information technology systems and the telecommunications network in India which require significant investment and expenditure for regular maintenance, upgrades and improvements*". As such, the new technology innovations may result in a material adverse effect on our business, financial condition and results of operations.

47. *The rise of digital platforms and payment solutions may adversely impact our floats and impact our fees, and there may be disintermediation in the loan market by fintech companies.*

Through our electronically linked branch network, correspondent bank arrangements and centralized processing, we effectively provide a nationwide collection, disbursement and payment systems for our clients. Disruption from digital platforms could have an adverse effect on the cash float and fees that we have traditionally received on such services. We also face threat to our loan market from newer business models that leverage technology to bring together savers and borrowers. We may not be competitive in facing up to the challenges from such newer entrants. This may, accordingly, have an adverse impact on our business and growth strategy.

48. *Banking companies in India, including us, are required to prepare financial statements under Indian Accounting Standards ("IND-AS"). In the future, we may be materially adversely affected by this transition.*

The Ministry of Corporate Affairs, in its press release dated January 18, 2016, issued a roadmap for implementation of IND-AS converged with IFRS for scheduled commercial banks, insurers, insurance companies and non-banking financial companies. This roadmap required these institutions to prepare IND-AS based financial statements for the accounting periods beginning from April 1, 2018 onwards with comparatives for the periods ending March 31, 2018. The RBI, by its press release dated April 5, 2018, requires all scheduled commercial banks to comply with IND-AS for financial statements beginning April 1, 2019.

The possible impact of IND-AS on our financial reporting, the nature and extent of such impact is still uncertain. Further, the new accounting standards will change, among other things, our methodology for estimating allowances for expected loan losses and for classifying and valuing our investment portfolio and our revenue recognition policy. For estimation of expected loan losses, the new accounting standards may require us to calculate the present value of the expected future cash flows realisable from our advances, including the possible liquidation of collateral (discounted at the loan's effective interest rate). This may result in us recognising allowances for expected loan losses in the future which may be higher or lower than under current Indian GAAP. There can be no assurance, therefore, that our financial condition, results of operations or cash flows will not appear materially worse under IND-AS than under Indian GAAP. In our transition to IND-AS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, there is increasing competition for the small number of IFRS- experienced accounting personnel available as more Indian companies begin to prepare IND-AS financial statements. Further, there is no significant body of established practice on which to draw in forming judgments regarding the new system's implementation and application. There can be no assurance that our adoption of IND-AS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IND-AS could materially adversely affect our business, financial condition and results of operations.

Risks Relating to Regulations

We operate in a highly regulated environment and there are numerous laws and regulations impacting many aspects of our operations, including our capital maintenance, lending limits and the types of business in which we can engage. As such, we are exposed to a number of risks relating to regulations as detailed below. Any change to the existing legal framework will require us to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

We have the necessary approvals from RBI with regards to the establishment of all our subsidiaries. Any changes in the RBI regulations relating to the continuation of businesses of our subsidiaries, may impact the group and we may not be able to undertake certain types of businesses. This may impact our growth and profits.

49. ***The RBI expects our Bank to reduce its promoters' shareholding. Any failure to reduce such shareholding as communicated could invite regulatory restrictions on the Bank.***

The RBI expects the Bank to reduce promoter holding to 20% of paid up capital by December 31, 2018 and 15% by March 31, 2020. Although our Board has expressed concerns in relation thereto with RBI, it is possible that we may not meet their requirements. In such an event, various actions may be levied on us by the RBI or may lead to regulatory restrictions on the Bank. Such regulatory restrictions may adversely affect our business, financial condition and results of operations. However, the Board is of the view that so long as it is in the interest of the Bank, it will pursue all available options, including this issue, to address the RBI's communications to the Bank.

50. ***Our Group operates in a highly regulated environment. Any change to the existing legal or regulatory framework will require us to allocate additional resources, which may increase our regulatory compliance costs and direct management attention and consequently affect our business.***

Our Group operates in a highly regulated environment in which the Bank and our Subsidiaries are regulated by SEBI, RBI, IRDAI, PFRDA, and other domestic and international regulators. Accordingly, legal and regulatory risks are inherent and substantial in our businesses. As we operate under licences or registrations obtained from appropriate regulators, we are subject to actions that may be taken by such regulators in the event of any non-compliance with any applicable policies, guidelines, circular, notifications and regulations issued by the relevant regulators.

The Group's business could be directly affected by any changes in applicable policies and regulations for such entities. Being regulated they are subject to regular scrutiny and supervision by their respective regulators, such as regular inspections that may be conducted by SEBI and IRDAI. The requirements imposed by regulators are designed to ensure the integrity of the financial markets and to protect investors and depositors. Among other things, in the event of being found non-compliant, our investment bank or broking or asset management businesses could be fined or prohibited from engaging in certain business activities. For example, our investment bank could face the risk of investigation and surveillance activity and judicial or administrative proceedings that may result in substantial penalties, if we are found to be in violation of applicable law. Such action may have reputational impact on the entire Group.

In addition, we are also exposed to the risk of us or any of our employees being non-compliant with insider trading rules or engaging in front running in securities markets. In the event of any such violations, regulators could take regulatory actions, including financial penalties against us and the concerned employees. This could have a materially adverse financial and reputational impact on the Group.

Any change to the existing legal or regulatory framework will require us to allocate additional resources, which may increase our regulatory compliance costs and direct management attention and consequently affect our business.

51. ***The Bank may become a "foreign owned" company as per the Consolidated FDI Policy and FEMA 20 and any investment by the Bank in its Subsidiaries may be subject to Indian foreign investment laws.***

Indian companies, which are owned or controlled by non-resident entities, are subject to investment restrictions specified in FEMA 20. Under the FEMA 20, an Indian company is considered to be "owned" by a non-resident entity if 50.0% or more of its equity interest is beneficially owned by non-resident entities. If the non-resident equity shareholding in the Bank, reaches or exceeds 50.0%, the Bank would be considered as being "owned" by non-resident entities under FEMA 20. In such an event, any downstream investment by the Bank may, subject to applicable regulations, be considered as indirect foreign investment and shall be subject to various requirements specified under the Consolidated FDI Policy for downstream investments, including sectoral investment restrictions, approval requirements and pricing guidelines.

52. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, across the multiple jurisdictions we operate in may materially adversely affect our business and financial performance.***

Our business and financial performance could be materially adversely affected by changes in the laws, rules, regulations or directions applicable to us and our business, or the interpretations of such existing laws, rules and regulations, or the promulgation of new laws, rules and regulations, in India or in the other jurisdictions we operate in.

The governmental and regulatory bodies in India and other jurisdictions where we operate may notify new regulations and/or policies, which may require us to obtain approvals and licenses from the government and other regulatory bodies, or impose onerous requirements and conditions on our operations, in addition to those which we are undertaking currently. Any such changes and the related uncertainties with respect to the implementation of new regulations may have a material adverse effect on our business, financial condition and results of operations.

Banking Regulations

We operate in a highly regulated environment in which the RBI extensively supervises and regulates all banks. Our business could be directly affected by any changes in policies for banks in respect of directed lending, reserve requirements, provisioning and other areas. For example, the RBI could change its methods of enforcing directed lending standards so as to require more lending to certain sectors, which could require us to change certain aspects of our business. In addition, we could be subject to other changes in laws and regulations, such as those affecting the extent to which we can engage in specific businesses or those that reduce our margins through a cap on either fees or interest rates chargeable to our customers or those affecting foreign investment or ownership requirements in the banking industry, as well as changes in other governmental policies and enforcement decisions, income tax laws, foreign investment laws and accounting principles. Laws and regulations governing the banking sector may change in the future and any changes may materially adversely affect our business and our future financial performance.

Tax

The application of various Indian and international sales, value-added and other tax laws, rules and regulations to our services, currently or in the future, may be subject to interpretation by applicable authorities, and if amended/ notified, could result in an increase in our tax payments (prospectively or retrospectively) and/or subject us to penalties, which could affect our business operations. Further, we have incomplete income tax assessments for the previous years and we run the risk of the Income Tax Department assessing our tax liability that may be materially different from the provision that we carry in our books for the past periods.

The Government has implemented two major reforms in Indian tax laws, namely the goods and services tax ("**GST**"), and provisions relating to the General Anti-Avoidance Rule (the "**GAAR**").

GST is implemented with effect from July 1, 2017 which has replaced the indirect taxes on goods and services such as central excise duty, service tax, central sales tax, state VAT and surcharge currently being collected by the central and state governments. The GST is expected to increase tax incidence and administrative compliance.

There are several areas where there is ambiguity in interpreting the GST. Any such clarifications would have to come from potential litigation or challenges on issues related to interpretation of various provisions. Due to the uncertainty in introducing the GST, we may have to change and adapt our systems and such changes might have a material adverse effect on our business, financial condition and results of operations.

Furthermore, the GST has reduced the taxation threshold and reduction in the taxation threshold from the earlier limits may impact the working capital of the SME sector. Further, central registration has been replaced with state registration, resulting in additional compliance requirements for its customers in SME / MSME sector. With the introduction of GST, any major impact on the SME and MSME sector may have a material effect on our business, results of operations and financial conditions.

As regards GAAR, the provisions have been introduced in the Finance Act, 2012 and have come into effect from April 1, 2017. The GAAR provisions intend to identify arrangements declared as "impermissible avoidance arrangements", which is any arrangement, the main purpose or one of the main purposes of which is to obtain a tax benefit and which satisfy at least one of the following tests (i) creates rights or obligations which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or

indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes. If GAAR provisions are invoked, then the tax authorities have wide powers, including denial of tax benefit or a benefit under a tax treaty. As the taxation system is intended to undergo significant overhaul, its consequent effects on the banking system cannot be determined at present and there can be no assurance that such effects would not adversely affect our business and future financial performance.

*Cash Reserve Ratio ("**CRR**") and Statutory Liquidity Ratio ("**SLR**") requirements*

Under RBI regulations, we are subject to a CRR requirement. The CRR is a bank's balance held in a current account with the RBI calculated as a specified percentage of its total demand and time liabilities, adjusted for exemptions. Banks do not earn any interest on those reserves.

In addition, under the Banking Regulation Act, all banks operating in India are required to maintain Statutory Liquidity Ratio ("**SLR**"). The SLR is a specified percentage of a bank's total demand and time liabilities by way of liquid assets such as cash, gold or approved unencumbered securities. Approved unencumbered securities consist of unencumbered Government securities and other securities as may be approved from time to time by the RBI and earn lower levels of interest as compared to advances to customers or investments made in other securities. The majority of Government securities held by us comprised fixed rate instruments. In an environment of rising interest rates, the value of Government securities and other fixed income securities may depreciate. Our large portfolio of Government securities may limit our ability to deploy funds into higher yielding investments.

Further, a decline in the valuation of our trading book as a result of rising interest rates may adversely affect our financial condition and results of operations. As a result of the statutory requirements imposed on us, we may be more structurally exposed to interest rate risk as compared to banks in other countries.

Further, the RBI may increase the CRR and SLR requirements to higher proportions as a monetary policy measure. Any increases in the CRR from the current levels could affect our ability to deploy our funds or make investments, which could in turn have a negative impact on our results of operations. We are also exposed to the risk of the RBI increasing the applicable risk weight requirement for different asset classes from time to time. If we are unable to meet the reserve requirements of the RBI, the RBI may impose penal interest or prohibit us from receiving any further fresh deposits, which may have a material adverse effect on our business, financial condition and results of operations.

Capital Adequacy, Liquidity Coverage Ratio, Net Stable Funding Ratio

In order to support and grow our business, we must maintain a minimum capital adequacy ratio, and a lack of access to the capital markets may prevent us from maintaining an adequate ratio.

The RBI requires a minimum capital adequacy ratio of 9.0% of our total risk-weighted assets. RBI Basel III capital regulations are effective in India from April 1, 2013 in a phased manner. The Bank's capital adequacy ratio, calculated in accordance with RBI's Basel III guidelines, was 18.2%, 16.8% and 16.3% as of March 31, 2018, March 31, 2017 and March 31, 2016, respectively. Our ability to support and grow our business would become limited if the capital adequacy ratio declines. While we may access the capital markets to offset declines in our capital adequacy ratio, we may be unable to access the markets at the appropriate time or the terms of any such financing may be unattractive due to various reasons attributable to changes in the general environment, including political, legal and economic conditions.

The Basel Committee on Banking Supervision issued a comprehensive reform package entitled "*Basel III: A global regulatory framework for more resilient banks and banking systems*" in December 2010. In May 2012, the RBI released guidelines on implementation of Basel III capital regulations in India and in July 2013, the RBI issued a Master Circular consolidating all relevant guidelines on Basel III. In July 2014, the RBI released a master circular consolidating the guidelines on capital adequacy issued to banks till June 30, 2014. Further, in July 2015, the RBI released a consolidated master circular on "*Basel III Capital Regulations*."

The key items covered under these guidelines include: (i) improving the quality, consistency and transparency of the capital base; (ii) enhancing risk coverage; (iii) graded enhancement of the total capital

requirement; (iv) introduction of capital conservation buffer and countercyclical buffer; and (v) supplementing the risk-based capital requirement with a leverage ratio. One of the major changes in the Basel III capital regulations is that the tier I capital will predominantly consist of common equity of the banks which includes common shares, reserves and stock surplus. Perpetual non-cumulative preference shares will be considered as a part of additional tier I capital. Basel III also defines criteria for Additional tier I and tier II instruments to improve their loss absorbency. The guidelines also set-out criteria for loss absorption through conversion/write-down/write-off of all non-common equity regulatory capital instruments at the point of non-viability. The point of non-viability is defined as a trigger event upon the occurrence of which non- common equity tier I and tier II instruments issued by banks in India under the Basel III rules may be required to be written off or converted into common equity. The capital requirement, including the capital conservation buffer, will be 11.5% once these guidelines are fully phased-in.

Domestically, systemically important banks would be required to maintain CET I capital requirement ranging from 0.2% to 0.8% of risk weighted assets. Banks will also be required to have an additional capital requirement increasing linearly up to 2.5% of the risk weighted assets if the RBI announces the implementation of countercyclical capital buffer requirements. The transitional arrangements began from April 1, 2013 and the guidelines will be fully phased-in and implemented as of March 31, 2019. Additionally, the Basel III LCR, which is a measure of the Bank's high quality liquid assets compared to its anticipated cash outflows over a 30 day stressed period, was applied in a phased manner starting with a minimum requirement of 60.0% from January 1, 2015 and will reach a minimum of 100.0% on January 1, 2019.

Besides LCR, the Basel III liquidity framework also envisage the NSFR, which measures the ratio between available stable funding (>1 year) and the required stable funding (> 1 year) to support long-term lending and other long term assets. The BIS, in October 2014, released the final guidelines for NSFR and aims for an NSFR of at least 100% as of 2018. For banks in India, RBI released the final guidelines on NSFR in May 2018. The date for implementation will be advised by RBI, in due course. This is expected to limit the reliance on short-term wholesale funding and may potentially increase the cost of funding and impact profits.

If we are unable to meet the new and revised requirements, our business and future financial performance could be adversely affected.

Labour Laws

As of March 31, 2018, we have around 50,000 employees in our Group. Our full-time employees are employed by us and are entitled to statutory employment benefits, such as the employees' provident fund scheme and the employees' pension scheme, among others. In addition to our employees, our workforce also consists of outsourced personnel and personnel retained on a contractual basis.

We are subject to various labour laws and regulations governing our relationships with our employees and contractors, including in relation to minimum wages, working hours, overtime, working conditions, hiring and terminating the contracts of employees and contractors, contract labour and work permits.

A change of law that requires us to increase the benefits to the employees from the benefits now being provided may create potentially liability for us. Such benefits could also include provisions which reduce the number of hours an employee may work for or increase in number of mandatory casual leaves, which all can affect the productivity of the employees.

A change of law that requires us to treat and extend benefits to our outsourced personnel, and personnel retained on a contractual basis, as being full-time employees may create potentially liability for us. We cannot assure you that we will be in compliance with current and future health and safety and labour laws and regulations at all times and any failure to comply with such laws and regulations, including obtaining relevant statutory and regulatory approvals, could materially and adversely affect our business, future financial performance and results of operations.

Currently, some of our workforce is unionized and it is possible that future calls for work stoppages or other similar actions could force us to suspend all or part of our operations until disputes are resolved. The wage settlement discussion between IBA and Bank Unions takes place once every five years. The next wage settlement is scheduled for November 17, 2018. From time to time, the labour unions for the banking

employees organise strikes, as a result of which, we have been and may in the future be affected by strikes, work stoppages or other labour disputes. In the event of a labour dispute, protracted negotiations and strike action may impair our ability to carry on our day-to-day operations, which could materially and adversely affect our business, future financial performance and results of operations.

53. ***We depend on various licenses issued by domestic and foreign regulators for the banking and other operations of the Bank. Failure to obtain, renew or maintain any required approvals, permits or licenses, may result in the interruption of all or some of the operations, which could materially and adversely affect the business and results of operations.***

We are also required to maintain various licenses issued by domestic regulators and foreign regulators for our banking and other operations. Domestically, we maintain our licenses with the RBI, IRDA, PFRDA and SEBI. Globally, we maintain our licenses with FSC Mauritius, Central Bank of UAE, FCA, DFSA Dubai, MAS, and in the United States, Securities and Exchange Commission and FINRA. Any license we have obtained may be revoked if we fail to comply with any of the terms or conditions relating to such license, or restrictions may be placed on our operations. Any such failure to obtain, renew or maintain any required approvals, permits or licenses, may result in the interruption of all or some of our operations, which could materially and adversely affect our business and results of operations.

RBI may cancel a licence for violations of the conditions under which it was granted. The RBI issues instructions and guidelines to banks on branch authorization from time to time. With the objective of liberalizing and rationalizing the branch licensing process, the RBI, effective September 19, 2013, granted general permission to domestic banks to open branches in tier 1 to tier 6 centres, subject to certain specified conditions. If we are unable to perform in a manner satisfactory to the RBI in any of the above areas, it may have an impact on the number of branches we will be able to open and would in turn have an impact on our future growth and may also result in the imposition of penal measures by the RBI.

54. ***We are required to undertake directed lending under RBI guidelines. We may experience a higher level of non-performing assets in our directed lending portfolio, which could materially adversely impact the quality of our loan portfolio and our business. Further, in the case of any shortfall in complying with these requirements, we may be required to invest in deposits as directed by the RBI. These deposits yield low returns, which may impact our profitability.***

The RBI prescribes guidelines on PSL in India. Under these guidelines, banks in India are required to lend 40% of their ANBC or the CEOBE, whichever is higher, as defined by the RBI, to certain eligible sectors categorised as priority sectors. The priority sector requirements are monitored on a quarterly basis to arrive at a shortfall or excess lending in each quarter. A simple average of all quarters will be arrived at and considered for computation of overall shortfall or excess as at the end of the financial year. Of the total priority sector advances, the RBI specifies sub-targets for lending towards agricultural advances, micro, small and medium enterprises, advances to weaker sections and the differential rate of interest scheme.

We have not always been able to meet the lending targets of certain sub-targets of the priority sector lending scheme in the past and may not be able to meet the overall priority sector lending target or certain sub-targets in the future. For example, we have in the past failed to meet the sub-targets for lending to small and marginal farmers, as a result of which we were required to increase our contribution to the RIDF (as defined below). Furthermore, the RBI can make changes to the types of loans that qualify under the PSL scheme or the RBI can change the sub-target requirements. Changes that reduce the types of loans that can qualify toward meeting our PSL targets could increase shortfalls under the overall target or under certain sub-targets.

In the case of non-achievement of priority sector lending targets, including sub-targets, we are required to invest in the RIDF established with NABARD and other Funds with NHB/SIDBI/ MUDRA Ltd. as decided by the RBI from time to time. The amount to be deposited, interest rates on such deposits and periods of deposits, and other terms, are determined by the RBI from time to time. The interest rates on such deposits are lower than the interest rates which the Bank would have obtained by investing these funds at its discretion. Additionally, as per RBI guidelines, non-achievement of priority sector lending target and sub-targets will be taken into account by the RBI when granting regulatory clearances/approvals for various purposes.

We may experience a higher level of NPAs in our directed lending portfolio, particularly in loans to the agricultural sector, small enterprises and weaker sections, where we are less able to control the portfolio quality and where economic difficulties are likely to affect our borrowers more severely. Further expansion of the PSL scheme could result in an increase of NPAs due to our limited ability to control the portfolio quality under the directed lending requirements.

In addition to the directed lending requirements, the RBI has encouraged banks in India to have a financial inclusion plan for expanding banking services to rural and unbanked centres and to customers who currently do not have access to banking services. The expansion into these markets involves significant investments and recurring costs. The profitability of these operations depends on our ability to generate business volumes in these centres and from these customers. Future changes by the RBI in the directed lending norms may result in our inability to meet the priority sector lending requirements as well as require us to increase our lending to relatively more risky segments and may result in an increase in non-performing loans.

RBI had issued a revised framework on Resolution of Stressed Assets through its circular dated February 12, 2018 which stipulates norms for declaring the borrowers as default and otherwise. The framework has a set process for taking the borrower accounts to NCLT under IBC etc. The application of framework could result in some of our borrowers being declared as defaulted borrowers and also bank have to deal with more NCLT cases. The RBI supervisory team may also apply the norms in deciding the classification of our borrowers as NPAs.

55. ***We face restrictions on lending to large borrowers which may have a material adverse effect on our business, financial condition and results of operations.***

In August 2016, the RBI released guidelines on the framework for enhancing credit supply for large exposures through market mechanism. As per the guidelines, from Fiscal 2018, incremental exposure of the banking system to a specified borrower beyond the NPLL shall be deemed to carry higher risks which needs be recognized by way of additional provisioning and higher risk weights.

Further, the RBI has also aligned its limits on single and group borrowers to the Basel III standards. From April 2019, our limits for single and group borrowers will be 20.0% and 25.0% of our tier 1 capital funds as against the current norm of 15.0% and 40.0% of the Total Capital funds. These limits may be subjected to further changes and revisions in future. These new regulations may have a material adverse effect on our business, financial condition and results of operations.

56. ***RBI guidelines relating to ownership in private banks and foreign ownership restrictions in private banks and its downstream companies could discourage or prevent a change of control or other business combination involving us.***

On May 12, 2016, RBI issued the Master Direction - Ownership in Private Sector Banks, Directions, 2016 ("**Master Directions**"). The Master Directions prescribe limits on ownership for all shareholders in the long run based on categorization of shareholders under two broad categories, namely (i) individuals; and (ii) entities/institutions. Further, these entities shall have separate limits for shareholding as laid down in the Master Directions.

There can be higher percentages of holding stakes by promoters or non-promoters through capital infusion by domestic or foreign entities or institutions if the RBI approves such transactions on a case-by-case basis.

If a transaction results in any person acquiring or agreeing to acquire, directly or indirectly, by itself or acting in concert with any other person, shares of a banking company or voting rights therein which taken together with shares and voting rights, if any, held by such person or such person's relative or associate enterprise or person acting in concert with such person, results in such person(s) holding at least 5.0% of the paid-up share capital of a banking company or entitles such person(s) to exercise at least 5.0% of a banking company's voting rights, RBI's approval is required prior to such a transaction.

The RBI, when considering whether to grant an approval, may take into account all matters that it considers relevant to the application, including ensuring that shareholders whose aggregate holdings are above specified thresholds meet fit and proper criteria.

The RBI limits voting rights to 15.0% currently; this can be amended by the RBI from time to time subject to a maximum of 26.0%. There are also foreign ownership restrictions in a private bank and in downstream companies which may impact an acquirer's ability to acquire a majority of our shares or acquire control over the Bank. The implementation of such restrictions could discourage or prevent a change in control, merger, consolidation, takeover or other business combination involving us, which might be beneficial to our shareholders.

Any substantial stake in us could discourage or prevent another entity from exploring the possibility of a combination with us. Any such obstacles to potentially synergistic business combinations could negatively impact our share price and have a material adverse effect on our ability to compete effectively with other large banks and, consequently, our ability to maintain and improve our financial condition.

57. ***RBI guidelines relating to prompt corrective action could materially and adversely affect our business, future financial performance and results of operations.***

On April 13, 2017, the RBI revised the PCA framework for Banks. The new PCA framework has stipulated thresholds for capital ratios, non-performing assets, profitability and leverage for banks. When the PCA framework is triggered, the RBI would have a range of discretionary actions it can take to address the outstanding issues. These discretionary actions include conducting supervisory meetings, conducting reviews, advising banks' boards for altering business strategy, review of capital planning, restricting staff expansion, removing of managerial persons and superseding the Board. If we are covered under the PCA framework, it could materially and adversely affect our business, future financial performance and results of operations.

58. ***We have previously been subject to penalties imposed by the RBI. Any regulatory investigations, fines, sanctions, and requirements relating to conduct of business and financial crime could negatively affect our business and financial results, or cause serious reputational harm across our businesses.***

The RBI is empowered under the Banking Regulation Act, to impose penalties on banks for any failure by the banks to comply with the applicable regulatory requirements. During fiscal year 2014, the RBI investigated a corporate borrower's loan and current accounts maintained with 12 Indian banks, including us. On July 25, 2014, RBI imposed a penalty of ₹ 10,00,000 on us on the grounds that we failed to exchange information about the conduct of the corporate borrower's account with other banks at intervals as prescribed in the RBI guidelines on "Lending under Consortium Arrangement / Multiple Banking Arrangements" and for not obtaining the "No Objection Certificate" from other banks before opening current account.

Further, in September 2015, the FIU has imposed a fine of ₹300,000 on us relating to the failure of erstwhile eIVBL in detecting and reporting attempted suspicious transactions in 2013. We had filed an appeal against the FIU order as permitted by the order. The appeal preferred by the Bank before the Appellate Tribunal under the PMLA Act challenging the order passed by FIU imposing penalty of ₹ 3,00,000 was allowed in the Bank's favour and the order passed by FIU has been set aside. However, FIU has gone for a further appeal on this and the outcome of the appeal may result in imposition of penalty of ₹ 3,00,000 on the Bank.

On April 13, 2017, RBI imposed a penalty of ₹ 10,000, under section 11(3) of FEMA 1999 for non-reporting of transactions on gross basis in the R-Returns in a specific case.

We cannot predict the initiation or outcome of any further investigations by other authorities or different investigations by the RBI. The penalty imposed by the RBI has generated adverse publicity for our business. Such adverse publicity, or any future scrutiny, investigation, inspection or audit which could result in fines, public reprimands, damage to our reputation, significant time and attention from our management, costs for investigations and remediation of affected customers, may materially adversely affect our business and financial results.

59. ***Any non-compliance with mandatory Anti Money Laundering (AML) and Know Your Customer (KYC) policies could expose us to additional liability and harm our business and reputation.***

In accordance with the requirements applicable to banks, we are mandated to comply with applicable anti-money laundering ("**AML**") and KYC regulations in India. These laws and regulations require us, among

other things, to adopt and enforce AML and KYC policies and procedures. While we have adopted policies and procedures aimed at collecting and maintaining all AML and KYC related information from our customers in order to detect and prevent the use of our banking networks for illegal money-laundering activities, there may be instances where we may be used by other parties in attempts to engage in money-laundering and other illegal or improper activities. In addition, a number of jurisdictions (including India) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA. Pursuant to these provisions, as part of our KYC processes we are required to collect and report certain information regarding US persons having accounts with us.

Although we believe that we have adequate internal policies, processes and controls in place to prevent and detect AML activity and ensure KYC compliance, including FATCA compliance, and have taken necessary corrective measures, there can be no assurance that we will be able to fully control instances of any potential or attempted violation by other parties and may accordingly be subject to regulatory actions including imposition of fines and other penalties by the relevant government agencies to whom we report, including the FIU-IND. Our business and reputation could suffer if any such parties use or attempt to use us for money-laundering or illegal or improper purposes and such attempts are not detected or reported to the appropriate authorities in compliance with applicable regulatory requirements.

60. ***RBI may remove any employee, managerial person or may supersede our Board which may adversely affect our business, results of operations and financial conditions.***

The Banking Regulation Act confers powers on the RBI to remove from office any directors, chairman, chief executive officer or other officers or employees of a bank. RBI also has the powers to supersede the board of directors of a bank and appoint an administrator to manage the bank for a period of up to 12 months. The RBI may exercise powers of supersession where it is satisfied, in consultation with the Central Government that it is in the public interest to do so, to prevent the affairs of any bank from being conducted in a manner that is detrimental to the interest of the depositors, or for securing the proper management of any bank. Should any of the steps as explained herein are taken by RBI, our business, results of operations and financial conditions would be materially and adversely affected.

61. ***Non-compliance with RBI inspection/observations may have a material adverse effect on our business, financial condition or results of operation.***

We are subject to periodic inspections by RBI under the Banking Regulation Act. In the past certain observations were made by RBI during such inspections regarding our business and operations. While we attempt to be in compliance with all regulatory provisions applicable to us, in the event we are not able to comply with the observations made by the RBI, we could be subject to supervisory actions which may have a material adverse effect on our reputation, financial condition and results of operations.

Risks relating to PNCPS 2018

62. ***In case the Bank does not have adequate profits, the Bank will not be able to pay dividends on the PNCPS 2018.***

As per the provisions of the Companies Act, the dividends payable on the PNCPS 2018 can only be out of profits of the company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the company for any previous fiscal year(s) arrived at as laid down by the Companies Act. Further, where the profits (including accumulated profits standing in the profit or loss account) are inadequate, dividends can be paid out of free reserves, in accordance with the Companies Act and the rules made thereunder. However, in terms of Dividends must be paid out of distributable items. Further, it is clarified that the dividend on PNCPS 2018 is required to be paid out of respective current year's profit only. In case the Bank does not have adequate profits, the Bank will not be able to pay the dividends on the PNCPS 2018.

63. ***Failure to receive listing approval for issuance of PNCPS 2018 will affect the holders of PNCPS 2018.***

An issuer desirous of making an offer of PNCPS on a private placement basis shall make an application for listing to the Stock Exchanges. The Bank is required to comply with conditions of listing of such PNCPS 2018 as specified in the listing agreement with the Stock Exchanges where the PNCPS 2018 are sought to

be listed in accordance with the NCRPS Regulations to the recognized stock exchange within 15 days from the date of allotment. Failure to receive listing approval will adversely affect the holders of PNCPS 2018.

64. ***There could be adverse changes in the future to the credit rating assigned to the PNCPS 2018, which will adversely affect the holders of the PNCPS 2018.***

The current issue has been rated 'CRISIL AA+/STABLE'.

In the event of deterioration in the financial health of the bank, there is possibility that the rating agency may downgrade the ratings of the PNCPS 2018. In such a case, a potential investor may incur losses on revaluation of the investments or may have to make provisions towards sub-standard / non performing investment as per their standard norms. The rating is not a recommendation to purchase, hold or sell the PNCPS 2018 in as much as the ratings do not comment on the market price of the PNCPS 2018 or its suitability to a particular investor. There is no assurance either that the rating will remain at the same level for any given period of time or that the rating will not be lowered or withdrawn entirely by the rating agency.

65. ***The PNCPS 2018 being offered through this IM are unsecured and RBI prescribes certain restrictions in relation to the terms of these PNCPS 2018. Thus the PNCPS 2018 holder(s) would not be able to withdraw their investments in PNCPS 2018 by exercise of put option.***

The PNCPS 2018 being offered are unsecured and are thus not secured by any of our assets. The claims in respect of PNCPS 2018, subject to applicable law, will rank:

a. subordinate to the claims of all perpetual debt instruments, all capital instruments qualifying as tier II capital instruments, and depositors and general creditors of the Bank,
b. *pari passu* without preference with claims of holders of such subsequent PNCPS 2018 issuances by the Bank, unless the RBI specifies otherwise in its guidelines.

The PNCPS 2018 shall not be redeemable at the initiative of the holder at any time during the tenure of the PNCPS 2018 or otherwise. These PNCPS 2018 do not have any special features like put option. Thus, the PNCPS 2018 holder(s) would not be able to withdraw their investments in PNCPS 2018 by exercise of put option.

66. ***Payments under PNCPS 2018 may, and in some cases must, be cancelled, which will adversely affect the holders of PNCPS 2018.***

Payments under PNCPS 2018 may be cancelled at the sole discretion of the Bank. Further, cancellation of discretionary payments is not an event of default.

Any actual or anticipated cancellation of the PNCPS 2018 will likely have an adverse effect on the market price of PNCPS 2018. In addition, as a result of the cancellation provisions of PNCPS 2018, the market price of PNCPS 2018 may be more volatile than the market prices of other preference shares that are not subject to such cancellation and may be more sensitive generally to adverse changes in the Bank's financial condition.

Thus, in the event the Bank cancels such payment, it will adversely affect the holders of the PNCPS 2018.

67. ***The PNCPS 2018 have no fixed maturity date and investors have no right to call for redemption of the PNCPS 2018.***

The PNCPS 2018 are perpetual in nature, that is, there is no maturity and there are no step-ups or other incentives to redeem. Thus, PNCPS 2018 holders may not be able to redeem the PNCPS 2018 at any time during the tenure of the PNCPS 2018 or otherwise.

Potential investors should note that in case the Bank wishes to exercise the call option due to change in the regulatory classification of PNCPS 2018 or change in, or amendment to, the laws affecting taxation, both of which occur on or after the issue date of PNCPS 2018, the Bank shall have to take a prior approval of RBI. It is to be noted that such approvals are not routine and are at the discretion of RBI. Further, RBI shall,

before providing such approvals, thoroughly consider the financial and capital position of the Bank or any other criteria it considers or deems fit.

68. *The PNCPS 2018 are subordinated to most of the Bank's liabilities and the terms of the PNCPS 2018 contain no limitation on issuing debt or senior or pari passu securities.*

The claims in respect of PNCPS 2018 issued by the Bank, subject to applicable law, will:

a. rank subordinate to the claims of all perpetual debt instruments, all capital instruments qualifying as tier II capital instruments, and depositors and general creditors of the Issuer;
b. neither be secured nor covered by a guarantee of the Issuer or its related entity or other arrangement that legally or economically enhances the seniority of the c–aim *vis-à-vis* creditors of the Bank; and
c. be *pari* passu without preference with claims of holders of such subsequent PNCPS 2018 issuances by the Bank, unless the RBI specifies otherwise in its guidelines.

As a consequence of the subordination provisions set out above, if a winding up of the Bank should occur, the shareholders may recover less rate-ably than, *inter alia*, the holders of deposit liabilities or the holders of other unsubordinated liabilities of the Bank.

69. *The PNCPS 2018 are subject to permanent or temporary write-down/ other adjustments as may be required by RBI on the occurrence of certain trigger events.*

The PNCPS 2018 are subject to permanent or temporary write-down/ other adjustments as may be required by RBI on the occurrence of certain trigger events. The write-down will have the following effects:

a. reduce the claim of the instrument in liquidation;
b. reduce the amount re-paid when a call is exercised; and
c. partially or fully reduce dividend payments on the instrument.

Various criteria for loss absorption through write-down / write-off/ other adjustment as stipulated by RBI on breach of pre-specified trigger and at the point of non-viability are elaborated in the section, "*Terms of the Issue*" from pages 127 to 128. These PNCPS 2018 are being issued under various rules, regulations and guidelines issued by the RBI, including the Basel III Guidelines as amended from time to time. Bank may be forced to write-down the PNCPS 2018 or to take such other action in relation to these PNCPS 2018 as may be required pursuant to the law and regulations then in force and as amended from time to time.

Pursuant to these effects, PNCPS 2018 may not be a favourable investment for the holders of PNCPS 2018.

70. *There may not be an active secondary market for the PNCPS 2018 which will affect the tradability of PNCPS 2018 in the market.*

The PNCPS 2018 issued by the Bank will be listed and traded in the Stock Exchanges. However, there may not be an active secondary market for PNCPS 2018. There is no assurance that a trading market for the PNCPS 2018 will exist and no assurance as to the liquidity of any trading market. Although an application will be made to list PNCPS 2018 on the Stock Exchanges, there can be no assurance that an active public market for PNCPS 2018 will develop, and if such a market were to develop, there is no obligation on us to maintain such a market. The liquidity and market prices of PNCPS 2018 can be expected to vary with changes in market and economic conditions, our financial condition and prospects and other factors that generally influence market price of such instruments. Such fluctuations may significantly affect the liquidity and market price of PNCPS 2018, which may trade at a discount to the price at which you purchase PNCPS 2018.

71. *There may not be any voting rights available for PNCPS 2018 holders which will adversely affect the rights of the holders of PNCPS 2018.*

The voting rights of the PNCPS 2018 holder shall be restricted in terms of Section 12(1) of the Banking Regulation Act. PNCPS 2018 holders may not have any voting rights available which will adversely affect the holders of PNCPS 2018.

Risks Relating to India

72. ***Financial instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm the Bank's business and its future financial performance.

73. ***Any adverse change in India's credit rating by an international rating agency could materially adversely affect our business and profitability.***

Our outstanding debt is mostly domestic even though the Bank is rated both domestically and internationally.

Standard and Poor's ("**S&P**"), Moody's Investors Service Limited ("**Moody's**") and Fitch Ratings, Inc. ("**Fitch**") currently have stable outlooks on their sovereign rating for India. There is no assurance that these stable outlooks would remain and they may lower their sovereign ratings for India or the outlook on such ratings, which would also impact our ratings. Further, rating agencies may change their methodology for rating banks, which may impact our standing amongst peer banks.

Any adverse credit rating outlook on India would impact the country's outlook and cascade into interest rate and currency depreciation.

In September 2014, S&P affirmed the "BBB minus" sovereign credit rating on India and revised the outlook on India's long-term rating from "negative" to "stable", citing improvement in the Government's ability to implement reforms and encourage growth, which in turn would lead to improving the country's fiscal performance. At the same time, S&P revised the rating outlooks on 11 Indian banks, including the Bank and other financial institutions from "negative" to "stable". In April 2015, Moody's revised India's sovereign rating outlook from "stable" to "positive" and retained the long-term rating at "Baa3" as it expected actions of policymakers to enhance India's economic strength in the medium term. In July 2016, Fitch revised its outlook for the Indian banking sector to "Negative" from "Stable" due to the increase in non- performing loans. In November 2017, Moody's has raised India's credit rating from the lowest investment grade of Baa3 to Baa2, and changed the outlook from stable to positive**.**

There can be no assurance that these ratings will not be further revised or changed by S&P, Fitch or Moody's or that any of the other global rating agencies will not downgrade India's credit rating. As our foreign currency ratings are pegged to India's sovereign ceiling, any adverse revision to India's credit rating for international debt will have a corresponding effect on our ratings. Therefore, any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available. Any of these developments may materially and adversely affect our business, financial condition and results of operations.

74. ***Political instability or changes in the government in India could delay the liberalisation of the Indian economy and materially adversely affect economic conditions in India generally, which would impact our financial results and prospects.***

Since 1991, successive Indian governments have pursued policies of economic liberalisation, including significantly relaxing restrictions on the private sector. Nevertheless, the roles of the Indian central and state governments in the Indian economy as producers, consumers and regulators remain significant as independent factors in the Indian economy.

In recent years, India has been following a course of economic liberalisation and our business could be significantly influenced by economic policies followed by the Government. Further, our businesses are also impacted by regulation and conditions in the various states in India where we operate. There can be no assurance as to the policies future governments will follow or that it will continue the policies of the existing government.

The rate of economic liberalisation is subject to change and specific laws and policies affecting banking and finance companies, foreign investment, currency exchange and other matters affecting investment in our securities are continuously evolving as well. Any significant change in India's economic liberalisation, deregulation policies or other major economic reforms could materially adversely affect business and economic conditions in India generally and our business in particular.

75. ***Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries would negatively affect the Indian market where our shares trade and lead to a loss of confidence and impair travel, which could reduce our customers' appetite for our products and services.***

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our equity shares trade and also materially adversely affect the global financial markets. These acts may also result in a loss of business confidence, make travel and other services more difficult and as a result ultimately materially adversely affect our business. In addition, any deterioration in relations between India and its neighbours might result in investor concern about stability in the region.

India has also witnessed civil disturbances in recent years and future civil unrest as well as other adverse social, economic and political events in India could have an adverse impact on us. Such incidents also create a greater perception that investment in Indian companies involves a higher degree of risk, which could have an adverse impact on our business.

76. ***Investors may have difficulty enforcing foreign judgments in India against the Bank or its management.***

The Bank was constituted under the Companies Act, 1956. Substantially all of the Bank's directors and executive officers named herein are residents of India and a substantial portion of the assets of the Bank and such persons are located in India. As a result, it may not be possible for investors outside of India to effect service of process on the Bank or such persons from their respective jurisdictions outside of India, or to enforce against them judgments obtained in courts outside of India predicated upon civil liabilities of the Bank or such directors and executive officers under laws other than Indian Law.

77. ***A slowdown in economic growth in India would cause us to experience slower growth in our asset portfolio and deterioration in the quality of our assets.***

Our performance and the quality and growth of our assets are necessarily dependent on the health of the overall Indian economy, which in turn is linked to global economic conditions. Below-trend global growth may adversely affect the growth prospects of the Indian economy. This could adversely affect our business, including our ability to grow our asset portfolio, the quality of our assets and our ability to implement our strategy. The Indian economy may be adversely affected by volatile oil prices, given India’s dependence on imported oil for its energy needs, inflationary pressures and weather conditions adversely affecting the Indian agricultural market or other factors. This may have a cascading impact on our asset portfolio. In addition, the Indian economy is in a state of transition. The share of the services sector of the economy is rising, while that of the industrial, manufacturing and agricultural sectors is declining. Finally, India faces major challenges in sustaining its growth, which include the need for substantial infrastructure development and improving access to healthcare and education. If the Indian economy deteriorates, our asset base may erode, which would result in a material decrease in our net profits and total assets.

OTHER INFORMATION ABOUT THE ISSUER

1. Details of borrowings of the Bank, segregating the rupee denominated borrowings and borrowings made in foreign currency, as of June 30, 2018

(a) Details of secured loan facilities

Sr. No.	Lender's name	Type of facility	Amount sanctioned (in ₹ crore)	Principal amount outstanding (in ₹ crore)	Repayment date / schedule	Security
1.	Reserve Bank of India	RBI Repo	Not Applicable	519.00	July 2, 2018	Government Securities
2.	Various lenders	Repo	Not Applicable	914.78	July 2, 2018	Government Securities
3.	Various lenders	CBLO Borrowing	Not Applicable	4,285.58	July 2, 2018	Government Securities
		Total	**Not Applicable**	**5,719.36**		

(b) Details of unsecured loan facilities

Sr. No.	Lender's name	Type of facility	Amount sanctioned(in ₹ crore)	Principal amount outstanding(in ₹ crore)	Repayment date / schedule
1.	ING Bank N.V.	Upper Tier - II Instruments	Not Applicable	226.50	January 23, 2024. *For further details please see the column 'Call Option' in 'Upper Tier II Capital raised by the Bank in foreign currency' on page 54.*
2.	ING Bank N.V.	Innovative Perpetual Debt Instruments	Not Applicable	129.49	Perpetual. *For further details please see the column 'Call Option' in 'Innovative Perpetual Debt raised by the Bank in foreign currency' on page 54.*
3.	Various Bondholders	Infrastructure Bonds	Not Applicable	962.00	*Please see details in the column 'Long Term Infrastructure Bonds issued by the Bank - Redemption date' on page 54.*

Sr. No.	Lender's name	Type of facility	Amount sanctioned(in ₹ crore)	Principal amount outstanding(in ₹ crore)	Repayment date / schedule
4.	Various Bondholders	Subordinated Debt Tier – II	Not Applicable	666.00	*Please see details in the column 'Private placement of Bonds in Indian currency - Date of redemption in the table' on page 53.*
5.	NABARD, SIDBI and MUDRA	Refinance	Not Applicable	10,981.64	On or before February 1, 2021
6.	Banks Outside India	Borrowings	Not Applicable	13,778.74	On or before April 22, 2024
7.	Banks	Borrowings	Not Applicable	1,030.50	On or before June 13, 2019
		Total	**Not Applicable**	**27,774.87**	

(c) Details of non – convertible debentures

Except as disclosed in the section, '*Other Information about the Issuer'* from pages 52 to 60, there are no other outstanding non-convertible debentures.

(d) Private placement of Bonds in Indian currency

The Bank had raised Tier II capital by way of issuance of Unsecured Non- Convertible Subordinated Debt Securities, which qualify as Tier 2 risk-based capital under the RBI's guidelines for assessing capital adequacy:

Sr. No.	Date of Allotment	Amount (in ₹ crore)	Tenure (in months)	Credit Rating*	Coupon Rate (p.a.)	Date of Redemption	Secured/ Unsecured
1.	July 15, 2008	150.00	120	AAA rating assigned by CRISIL, ICRA and INDIA Rating	10.40	July 14, 2018	Unsecured
2.	January 31, 2009	60.00	120	AAA rating assigned by CRISIL, ICRA and INDIA Rating	9.65	January 30, 2019	Unsecured
3.	April 7, 2011	150.00	120	AAA rating assigned by CRISIL, ICRA and INDIA Rating	9.31	April 7, 2021	Unsecured
4.	December 14, 2012	306.00	120	AAA rating assigned by CRISIL, ICRA and INDIA Rating	9.90	December 13, 2022	Unsecured
	Total	**666.00**					

**Rating as at June 30, 2018*

(e) *Upper Tier II Capital raised by the Bank in foreign currency:*

Further, the Bank had also raised Upper Tier II Capital which qualify as Tier 2 risk-based capital under the RBI's guidelines for assessing capital adequacy:

Sr. No.	Date of Placement/ Allotment	Outstanding Amount (in ₹ crore)	Currency	Tenor (in months)	Call Option	Credit Rating	Coupon (%)	Redemption Date	Secured/ Unsecured
1.	January 23, 2009	226.50	JPY	180	January 23, 2019	N.A.	3 months LIBOR + 230 bps	January 23, 2024	Unsecured

(f) *Innovative Perpetual Debt raised by the Bank in foreign currency:*

Further, the Bank had also raised Innovative Perpetual Debt in foreign currency as below:

Sr. No.	Date of Placement/ Allotmen	Outstanding Amount (in ₹ crore)	Currency	Tenor	Call Option	Credit Rating	Coupon (%)	Redemption Date	Secured / Unsecured
1.	October 22, 2008	129.49	JPY	Perpetual	October 22, 2018	N.A.	3 months LIBOR + 400 bps Interest payable quarterly	Perpetual	Unsecured

(g) Long Term Infrastructure Bonds issued by the Bank:

Sr. No.	Date of Placement/ Allotment	Amount (in ₹ crore)	Tenor (in months)	Credit Rating*	Coupon (%)	Redemption Date	Secured/ unsecured
1.	August 12, 2014	262.00	85	AAA rating assigned by CRISIL, ICRA and INDIA Rating	9.36	August 12, 2021	Unsecured
2.	January 14, 2015	500.00	85	AAA rating assigned by CRISIL, ICRA and INDIA Rating	8.72	January 14, 2022	Unsecured
3.	March 30, 2015	200.00	85	AAA rating assigned by CRISIL, ICRA and INDIA Rating	8.45	March 30, 2022	Unsecured
	Total	**962.00**					

**Rating as at June 30, 2018*

(h) List of top 10 debenture holders#

Sr. No.	Name of debenture holders	Amount (in ₹ crore)
1.	ING Bank N.V.	355.99
2.	Life Insurance Corporation of India	300.00
3.	NPS Trust - A/C LIC Pension Fund Scheme - State Government	139.40
4.	Postal Life Insurance Fund A/C UTI AMC	105.00
5.	NPS Trust - A/C UTI Retirement Solutions Pension Fund Scheme - State Government	101.10
6.	NPS Trust - A/C LIC Pension Fund Scheme - Central Government	101.00

Sr. No.	Name of debenture holders	Amount (in ₹ crore)
7.	The New India Assurance Company Limited	100.00
8.	NPS Trust- A/C UTI Retirement Solutions Pension Fund Scheme - Central Government	52.90
9.	The Nomura Trust And Banking Company Limited as the Trustee Of Indian Local Currency Denominated Bond Mother Fund	50.00
10.	The Life Insurance Corporation of India Provident Fund No. 1	50.00

#The details of the top 10 debenture holders' are provided in value terms, on cumulative basis for all outstanding debentures.

(i) Corporate guarantee issued by the Bank

Nil.

(j) Details of commercial paper outstanding as on June 30, 2018

Not Applicable.

(k) Details of Certificate of Deposits as on June 30, 2018

Maturity date	Amount outstanding (in ₹ crore)
1 - 14 days	499.82
15 - 28 days	348.54
29 - 90 days	2,598.11
3 - 6 months	2,707.51
6 months - 1 year	635.82
Total	**6,789.80**

(l) Details of rest of the borrowings

Nil.

(m) Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Bank, in the past five years

Nil.

(n) Details of any outstanding borrowings taken/debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part; (ii) at a premium or discount; or (iii) In pursuance of an option

Nil.

2. Details of Promoter holding in the Bank

Details of Promoter holding in the Bank as of June 30, 2018 as disclosed to the Stock Exchanges in accordance with Regulation 31(1) of SEBI Listing Regulations:

Sr. No.	Name of the Promoter	Number of Equity Shares held	In dematerialized form	% of Shareholding	No. of Equity Shares Pledged	% of Equity Shares pledged with respect to shares owned.
1.	Uday Kotak	566,927,100	566,927,100	29.74	Nil	Not Applicable
	Total	**566,927,100**	**566,927,100**	29.74	Nil	Not Applicable

3. Details of Promoter Group holding in the Bank

Details of Promoter Group holding in the Bank as of June 30, 2018 as disclosed to the Stock Exchanges in accordance with Regulation 31(1) of SEBI Listing Regulations:

Sr. No.	Name of the Promoter	Number of Equity Shares held	In dematerialized form	% of Shareholding	No. of Equity Shares Pledged	% of Equity Shares pledged with respect to shares owned.
1.	Suresh Kotak (HUF)	1,10,000	1,10,000	0.01	Nil	Not Applicable
2.	Pallavi Kotak	11,11,580	11,11,580	0.06	Nil	Not Applicable
3.	Suresh Kotak	2,00,000	2,00,000	0.01	Nil	Not Applicable
4.	Indira Kotak	23,00,000	23,00,000	0.12	Nil	Not Applicable
5.	Dinkarrai Desai	7,93,508	7,93,508	0.04	Nil	Not Applicable
6.	Kusum Desai	2,98,260	2,98,260	0.02	Nil	Not Applicable
7.	Janak Desai	43,600	43,600	0.0	Nil	Not Applicable
8.	Aarti Chandaria	57,360	57,360	0.0	Nil	Not Applicable
9.	Kotak Trustee CompanyPrivate Limited beneficial owner Uday Kotak	6,24,556	6,24,556	0.03	Nil	Not Applicable
	Total	**55,38,864**	**55,38,864**	0.29	Nil	Not Applicable

4. Abridged version of Audited Consolidated (wherever available) and Standalone Financial Information (like Profit & Loss Statement, Balance Sheet and Cash Flow Statement) for the last the last three years and auditor qualification, if any.

The Standalone Financial Statements and Consolidated Financial Statements were prepared in accordance with Indian GAAP. The historical results do not necessarily indicate results expected for any future period. For the purposes of comparative analysis below, previous years' figures have been reclassified and regrouped wherever necessary.

A. Standalone Financial Statement

i) Standalone Profit and Loss statement

(₹ Crores)

	March 2018 Audited	March 2017 Audited	March 2016 Audited
Interest Earned	19,748.49	17,698.93	16,384.19
Other Income	4,052.21	3,477.16	2,612.23
Total Income	**23,800.70**	**21,176.09**	**18,996.42**
Interest Expended	10,216.81	9,572.78	9,483.81

	March 2018 Audited	March 2017 Audited	March 2016 Audited
Operating Expenses	6,425.72	5,618.50	5,471.52
Provisions and Contingencies	939.95	836.74	917.37
Taxes	2,133.92	1,736.57	1,033.94
Total Expenditure	**19,716.40**	**17,764.59**	**16,906.64**
Profit after tax	4,084.30	3,411.50	2,089.78
Add: Profit brought forward	10,756.29	8,214.12	5,095.26
Add: Additions on Amalgamation	-	-	1,800.09
Less: Adjustments on Amalgamation	-	-	125.38
Less: Adjustments on Appropriations	1,236.00	869.33	645.63
Balance carried over to Balance Sheet	13,604.59	10,756.29	8,214.12
Equity Dividend %	14%	12%	10%
Basic Earnings per share	21.54	18.57	11.42

ii) Standalone Balance Sheet

(₹ Crores)

Description	March 2018 Audited	March 2017 Audited	March 2016 Audited
Sources of Funds:			
Share Capital	952.82	920.45	917.19
Reserves & Surplus	36,528.83	26,695.62	23,041.87
Employees Stock Options (Grants) Outstanding	2.17	1.87	3.41
Deposits	1,92,643.27	1,57,425.86	1,38,643.02
Borrowings	25,154.15	21,095.48	20,975.34
Other Liabilities & Provisions	9,652.15	8,450.68	8,678.96
Total Liabilities	**2,64,933.39**	**2,14,589.96**	**1,92,259.79**
Application of Funds:			
Cash and balances with Reserve Bank of India	8,908.51	7,492.43	6,903.43
Balances with Banks and money at call and short notice	10,711.60	15,079.58	3,976.28
Investments	64,562.35	45,074.19	51,260.22
Advances	1,69,717.92	1,36,082.13	1,18,665.30
Gross Block	3,728.04	3,692.74	3,455.85
Less: Accumulated Depreciation	2,200.88	2,155.11	1,904.26
Net Block	1,527.16	1,537.63	1,551.59
Other Assets	9,505.85	9,324.00	9,902.97
Total Assets	**2,64,933.39**	**2,14,589.96**	**1,92,259.79**
Contingent Liabilities	2,05,104.84	1,93,067.54	2,42,610.28
Bills for collection	24,255.31	20,318.26	14,964.05

iii) Standalone Cash Flow statement

(₹ crores)

	FY 2017-18	FY 2016-17	FY 2015-16
Cash flow from operating activities	(10,274.91)	14,411.92	6,133.72
Cash flow used in investing activities	(2,515.50)	(2,971.84)	(6,363.00)
Cash flow from financing activities	9,837.22	256.51	(1,463.91)
Increase/ (Decrease) in Foreign currency Translation Reserve	1.29	(4.30)	-
Net (decrease)/ increase in cash and cash equivalent	(2,951.90)	11,692.29	(1,693.19)
Cash and cash equivalents at the beginning of the period	22,572.01	10,879.72	6,262.36
Additions on Amalgamation	-	-	6,310.55
Cash and cash equivalents at the end of the period	19,620.11	22,572.01	10,879.72

B. Consolidated Financial Statement

i. Consolidated Profit and Loss Statement

(₹ crores)

	March 2018 Audited	**March 2017 Audited**	**March 2016 Audited**
Interest Earned	25,131.08	22,324.20	20,401.64
Other Income	13,682.23	11,659.56	7,630.72
Total Income	**38,813.31**	**33,983.76**	**28,032.36**
Interest Expended	12,466.85	11,457.51	11,122.97
Operating Expenses	16,163.49	14,245.40	10,894.08
Provisions and Contingencies	1,024.74	948.92	991.57
Taxes	3,011.09	2,382.85	1,592.62
Total Expenditure	**32,666.17**	**29,034.68**	**24,601.24**
Profit after tax before Minority Interest	**6,147.14**	**4,949.08**	**3,431.12**
Less: Share of Minority Interest	56.67	78.83	65.19
Add: Share in profit/ (loss) of Associates	110.50	70.18	92.92
Profit after tax	**6,200.97**	**4,940.43**	**3,458.85**
Add: MTM gain on Derivatives (net of tax)	-	0.89	-
Add: Profit brought forward	20,152.56	16,223.88	11,864.13
Add: Additions on Amalgamation	-	-	1,804.11
Less: Adjustments on Amalgamation	-	-	125.38
Appropriations	1,422.40	1,012.64	777.83
Balance carried over to Balance Sheet	24,931.13	20,152.56	16,223.88
Basic Earnings per share	32.70	26.89	18.91

ii. Consolidated Balance Sheet

(₹ Crores)

Description	**March 2018 Audited**	**March 2017 Audited**	**March 2016 Audited**
Sources of Funds:			
Share Capital	952.82	920.45	917.19
Reserves & Surplus	49,533.24	37,570.39	32,443.45
Minority Interest	-	474.43	395.60
Employees Stock Options (Grants) Outstanding	2.17	1.87	3.41
Deposits	1,91,235.80	1,55,540.00	1,35,948.76
Borrowings	58,603.97	49,689.91	43,729.79
Policyholders funds	22,425.34	18,792.88	15,148.28
Other Liabilities & Provisions	14,967.13	13,197.63	12,217.10
Total Liabilities	**3,37,720.47**	**2,76,187.56**	**2,40,803.58**
Application of Funds:			
Cash and balances with Reserve Bank of India	8,933.50	7,512.23	6,924.90
Balances with Banks and money at call and short notice	15,467.13	18,076.32	4,674.51
Investments	90,976.60	68,461.54	70,273.90
Advances	2,05,997.32	1,67,124.91	1,44,792.82
Gross Block	4,433.65	4,336.70	4,043.50
Less: Accumulated Depreciation	2,683.82	2,581.50	2,285.90
Net Block	1,749.83	1,755.20	1,757.60
Other Assets	13,803.03	13,253.94	12,376.43
Goodwill on Consolidation	793.06	3.42	3.42
Total Assets	**3,37,720.47**	**2,76,187.56**	**2,40,803.58**
Contingent Liabilities	2,09,757.54	1,96,172.07	2,44,711.86
Bills for collection	24,255.31	20,318.26	14,964.05
Book Value	264.93	209.09	181.86

iii. Consolidated Cash Flow Statement:

(₹ Crores)

	FY 2017-18	FY 2016-17	FY 2015-16
Cash flow from operating activities	(10,392.40)	13,222.51	5,024.58
Cash flow used in investing activities	(5,608.25)	(5,268.09)	(8,662.39)
Cash flow from financing activities	14,679.40	6,055.26	2,024.41
Net Cash and Cash equivalents taken over from Erstwhile ING Vysya Bank Limited on Amalgamation	-	-	6,309.37
Increase/ (Decrease) in Foreign currency Translation Reserve	6.35	(20.54)	-
Net Cash and Cash equivalent on Acquisition of Subsidiary	126.98	-	-
Net (decrease)/ increase in cash and cash equivalent	(1,187.92)	13,989.14	4,695.97
Cash and cash equivalents at the beginning of the period	25,588.55	11,599.41	6,903.44
Cash and cash equivalents at the end of the period	24,400.63	25,588.55	11,599.41

5. Abridged version of the limited review of standalone and consolidated financial statements for the three month period ended June 30, 2018 and auditors qualifications

The Abridged version of the limited review of standalone and consolidated financial statements for the three month period ended June 30, 2018 are annexed as Annexure D.

6. Any change in accounting policies during the last three years and their effect on the profits and the reserves of the Bank

There were no significant changes to the accounting policies during the last three years except for the changes specified below –

Financial Year 2017:

Accounting for Derivatives – For other Entities

In accordance with 'Guidance Note on Accounting for Derivative Contracts' issued by the Institute of Chartered Accountants of India effective on April 1, 2016, the Subsidiaries and Associates have changed their accounting policy to recognise all mark to market gains or losses on derivative contracts in the Profit and Loss Account. Earlier mark to market gains or losses on derivative contracts were determined on a portfolio basis with net unrealised losses being recognised and the net unrealised gains ignored on grounds of prudence as enunciated in Accounting Standard 1 (AS-1) 'Disclosure of Accounting Policies'. The impact of the above change in accounting policy is recognised in the opening reserves to the extent of ₹.0.89 crore (net of tax). Had the Bank followed the earlier method, the profit after tax for year ended March 31, 2017 would have been lower by ₹ 2.71 crore.

Accounting for Proposed Dividend

As per the requirements of pre-revised AS-4 – 'Contingencies and Events Occurring after the Balance sheet date', the Group used to create a liability for dividend proposed / declared after the Balance Sheet date if dividend related to periods covered by the financial statements. As per (AS-4) (Revised), the Group is not required to create provision for dividend proposed / declared after the Balance Sheet date unless a statute requires otherwise. Had the Group continued with creation of provision for proposed dividend, its surplus in Financial Year 2017 - Profit and Loss Account would have been lower by ₹ 132.94 crore and Other Liabilities would have been higher by ₹ 132.94 crore (including dividend distribution tax of ₹ 22.49 crore).

Financial Year 2018:

Accounting for Investments – For other Entities

During the current year, the Subsidiaries and Associates have changed the methodology to determine the carrying cost of stock in trade from lower of cost and fair value determined on an individual investment basis followed hitherto, to lower of cost and fair value determined on a category of investment.

Consequently the Stock in trade for the group as on March 31, 2018 is higher by ₹ 4.42 crore and the profit for the year after taxation is higher (including share of Associates) by ₹ 16.48 crore.

7. Any material event/ development or change having implications on the financials/credit quality at the time of Issue which may affect the Issue or the Investor's decision to invest/continue to invest in the PNCPS 2018.

Nil.

8. The credit rating letter issued by the rating agencies and the rating rationale

The credit rating letter issued by CRISIL dated August 1, 2018 along with the rating rationale is annexed herewith as Annexure B.

9. Names of all the recognized stock exchange where PNCPS 2018 are proposed to be listed clearly indicating the designated stock exchange

The PNCPS 2018 are proposed to be listed on the BSE and NSE and BSE shall be the Designated Stock Exchange.

10. Related party transactions entered during the last three financial years immediately preceding the year of the circulation of the IM including with regard to loans made or, guarantees given or securities provided

The disclosures on Related party transactions during the last three financial years immediately preceding the year of the circulation of the IM including with regard to loans made or, guarantees given or securities provided, are annexed as Annexure E.

11. Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of this IM and of their impact on the financial statements and financial position of the Bank and the corrective steps taken and proposed to be taken by the Bank for each of the said reservations or qualifications or adverse remark.

There are no reservations, qualifications or adverse remarks highlighted by the auditors in their reports to our standalone financial statements and consolidated financial statement as of and for the Financial Years ended March 31, 2014, March 31, 2015, March 31, 2016, March 31, 2017 and March 31, 2018.

12. Profits of the Bank, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of this IM.

Please see the section "*Abridged version of Audited Consolidated and Standalone Financial Information for the last three years and auditor qualification*" from pages 56 to 59 of this IM.

13. A summary of the financial position of the Bank as in the three audited balance sheets immediately preceding the date of circulation of this IM.

Please see the section "*Abridged version of Audited Consolidated and Standalone Financial Information for the last three years and auditor qualification*" from pages 56 to 59 of this IM.

OUR BUSINESS

We are a diversified and integrated financial services conglomerate led by the commercial bank and holding company in our Group structure, Kotak Bank, which is among the largest private sector banks in India by total assets as of March 31, 2018. Our products and services cover banking, financing through NBFCs, asset management, life and general insurance, stock broking, investment banking, wealth management and asset reconstruction, encompassing all customer and geographic segments within India. As a group, we also operate in overseas markets through international Subsidiaries or branches in the United States, United Kingdom, Mauritius, UAE and Singapore.

We organize our banking activities into consumer banking, corporate banking, commercial banking and treasury. Our consumer banking operations include deposit taking, disbursing loans such as home loans, loans against property, personal loans and working capital loans and offer various products such as debit cards and credit cards. Under corporate banking, we offer products and services such as corporate loans, trade finance, foreign exchange and derivatives, and cash management activities and loans to SME (which we also call "**Business Banking**"). We also provide standardized and structured client solutions including loan syndication, bond placement, mezzanine financing and securitisation through the DCM division. Under commercial banking, we provide tractor loans, commercial vehicles and construction equipment financing and agricultural finance. Treasury provides foreign exchange services and interest rate risk management solutions to our consumer banking, commercial banking and corporate banking customer segments. Our strength in our businesses is demonstrated by the following awards:

- India's Best Bank and Best Bank in the Emerging Markets in Euromoney Regional Awards by Euromoney Awards for Excellence 2018;
- Icon of Indigenous Excellence Award at 2nd Annual Economic Times Iconic Brand Summit 2018;
- 811 & Biometric-Most Innovative Product at IBAs Banking Technology Awards 2018;
- Best Mid-Size Bank by Businessworld Magna Awards 2018;
- Best Mid-Size Bank by Business Today Best Banks Awards 2018;
- Best Savings Bank Product by FE India's Best Bank Award 2016-17;
- Excellence in Financial Reporting – Annual Report FY16-17 (Private Sector Banks category) by ICAI Awards for 2016-17;
- Best Fund in over 5 years (Midcap) at the 2018 Thomson Reuters Lipper Fund Award for India;
- Best Corporate & Investment Bank at the Asiamoney Best Bank Awards 2018 for India; and
- Securities Advisory Firm of the Year in India at the Corporate INTL Global Awards 2017.

Our Group structure comprises of Kotak Bank (the commercial bank and holding company) along with its 19 wholly-owned Subsidiaries. The largest companies in our Group by profit after tax in FY 2018 were Kotak Bank, Kotak Prime, Kotak Securities, Kotak Life and Kotak Investments which accounted for 65.9%, 9.5%, 8.6%, 6.7%, and 4.0% of our consolidated profit after tax, respectively. Kotak Prime and Kotak Investments are NBFCs.

Kotak Bank services a customer base in excess of 1.3 crore customers as of March 31, 2018 covering a wide spectrum across domestic individual and households, non-residents, small and medium business segments for a range of products from basic savings and current accounts to term deposits, credit cards, unsecured and secured loans, working capital and distribution of investment products.

As of March 31, 2018, Kotak Bank had 1,388 branches and 2,199 ATMs, covering 724 locations, and our group companies Kotak Prime, Kotak Life, Kotak Securities and KMAMC had additional distribution outlets across India (including branches, franchises and referral co-ordinators). The Group has an international presence in New York, London, Mauritius, California, Dubai, Singapore and Abu Dhabi. We have an international banking unit in GIFT City, India's first international financial services centre and have also received the RBI approval to set up a bank branch in DIFC. In addition, we also have correspondent banking arrangements and other arrangements to provide international remittance services.

For the years ended March 31, 2016, 2017 and 2018, we generated a total consolidated income of ₹ 28,032 crore, ₹ 33,984 crore and ₹ 38,813 crore respectively, and our net profit for the year was ₹ 3,459 crore, ₹ 4,940 crore and ₹ 6,201 crore, respectively, in each case on a consolidated basis. Our total consolidated assets have increased from ₹ 2,40,804 crore as of March 31, 2016, to ₹ 2,76,188 crore as of March 31, 2016, to ₹ 3,37,720

crore as of March 31, 2018. Our standalone total deposits have also increased from ₹ 1,38,643 crore as of March 31, 2016, to ₹ 1,57,426 crore as of March 31, 2017 and to ₹ 1,92,643 crore as of March 31, 2018.

Our Competitive Strengths

We believe that the following strengths give us a competitive advantage in the Indian financial services space:

An integrated and diversified business model

We have an integrated and diversified business model offering banking, financing, asset management, insurance, stock broking, investment banking, wealth management and asset reconstruction encompassing all customer and geographic segments within India. Such a model gives us the ability to take advantage of shifting economic environments. We have balance-sheet driven businesses, such as lending and investing, to capitalise on favourable interest rate movements, market-driven businesses such mutual funds to capitalise on favourable capital markets conditions and knowledge-driven businesses such as investment banking to maximize fee-based income, deepen relationships and increase customer penetration.

We also benefit from diverse revenue streams in many of our business segments. For example, in the mutual fund segment, we not only manage our own mutual fund products but also act as distributors for third-party products, allowing us to capture the margins that arise from offering our own products while also earning distribution revenue from others' products. The wide spectrum of financial products and services that we offer provides us with complementary revenue streams that help to balance against market cycles and hedge against downturns in any particular business segment or asset class, as well as access multiple growth avenues.

Our broad product spectrum also helps us to meet our customers' diverse financial and investment requirements, enhancing the overall experience of our customers. Our diversified business leads to significant cross-selling opportunities, subject to any regulatory restrictions, enabling us to garner a larger proportion of potential revenue from our customers to meet their diverse financial requirements. For example, we are able to realise advisory fees by providing investment banking services, underwriting fees by arranging bond financing for a transaction and service income by acting as the escrow bank for a transaction, all while deepening our customer interactions and relationships, which we can then leverage into corporate banking services.

We are diversified not only across products and service segments and revenue streams, but also customer segments and geographies within India. Our corporate and institutional customers range from small and medium enterprises to emerging, large and very large corporates. Our retail customers range from mass market to affluent to high net worth individuals. Geographically, our retail customers are spread across metro, urban, semi-urban and rural geographies in India, and our bank branch network covers 1,388 branches as of March 31, 2018 across India.

Our integrated business model is strengthened by our senior management, many of whom have expertise across the spectrum of financial services, as opposed to expertise only within the banking industry or isolated business segments. This cross-group expertise allows our senior management team to understand the interactions and relationships between various aspects of our businesses in order to flexibly respond to changing economic conditions and to enhance our product and service offerings.

We are able to identify and capitalise on opportunities

One of our key strengths is our ability to identify and capitalise on opportunities, both through offering innovative new products and services as well as by entering into established segments and effectively compete. To this end, we are continually looking for opportunities to innovate and expand our offerings.

We were the first NBFC to convert into a bank in India, having converted in 2003. Subsequent to our conversion, we have grown to become among the largest private sector banks in India by total assets as of March 31, 2018. We believe that a key element of our growth has been our ability to create niche and differentiated business segments across many aspects of the financial services industry.

Since our founding in 1985, we have led many "firsts" in India's financial services industry. For example, our Subsidiary, Kotak Mahindra Capital Company Limited managed one of the first book-built IPO in India, and we were among the first banks to raise interest rates over the prevalent 4% on domestic savings deposits after the RBI deregulated interest rates on savings deposits in 2011, which helped to drive a rise in our savings

deposit base.

More recently, we have developed a comprehensive digital offering across internet and mobile platforms to increase our new customer acquisition and better engage with our existing customers. Our digital strategy has been designed to complement our physical infrastructure to drive efficiency and enhance customer experience.

We routinely review and monitor a number of internal and external factors across all our various businesses to identify opportunities as well as weaknesses in order to take early decisions to either capitalise on an opportunity or take corrective action to limit our exposure. We believe that our culture of innovation has allowed us to build profitable business models across our various businesses and has enabled us to enter into and maintain partnerships across our various businesses from time to time and also attract quality long term investors as shareholders.

Prudent Risk Management Capabilities

One of our key strengths is our ability to assess opportunities in order to make clear decisions with a focus on rewards that commensurate with risk. While our policy is one of prudent risk management, we are not averse to taking risk so long as the risk is priced to provide attractive risk-based returns.

Our prudent risk management and credit evaluation processes, coupled with our ability to evaluate and appropriately price risk, have helped us maintain low NPAs and SMA2, despite rapid growth in recent years. Our Net NPA and SMA2 were 0.98% and 0.04% of net advances respectively on a standalone basis as of March 31, 2018. Our outstanding Net NPA and SMA2 were ₹ 1,665 crore and ₹ 72 crore respectively as on March 31, 2018. We also have an asset reconstruction division to buy stressed portfolios from other financial institutions.

We are a well-capitalised Bank with a standalone capital adequacy ratio of 18.22% as per Basel III as on March 31, 2018. Our strong financial position is also reaffirmed by the AAA rating accorded by CRISIL and ICRA to the Bank, Kotak Prime, Kotak Investments and Kotak Securities. We have also been able to maintain high NIMs in spite of the fact that we offer higher interest rates on domestic savings deposit than many of our peers. Though we offer a rate of 6% on domestic savings deposits between ₹ 0.01 crore and ₹ 1 crore, as against 3.5% to 4% provided by many of our peers, our standalone NIMs were 4.30% for FY2018.

Our strong brand and leadership in various businesses

We believe that the "Kotak" and "Kotak Mahindra" brands are among the most reputed and widely recognised brands in Indian financial services. The ‘Kotak Mahindra Bank’ brand was recognised as the seventh and the sixth most valuable Indian brand across industry categories in 2016 and 2017 respectively, in the BrandZ Top 50 Most Valuable Indian Brand study by WPP Group and Kantar Millward Brown. We have been recognized with numerous industry awards and accolades for various aspects of our business, which we believe reflect the governance culture and talent of our senior management and employees as well as trust in the quality of our products and services. Examples of the awards and recognitions that we have received include being named "Company of the Year" in 2016 at the Economic Times Awards for Corporate Excellence, 'Best Domestic Bank' in India as well as Best Corporate & Investment Bank in India at the Asia Money Best Bank Awards 2018.

Our brand strength is supported by strong positions that we hold across various segments of our business. In addition to being among the largest private sector banks in India by total assets as of March 31, 2018, we also are the fifth largest private sector life insurer in terms of individual first year premiums for FY2018 on the basis of data for all life insurers released by the Life Insurance Council of India and the seventh largest mutual fund in terms of quarterly average assets under management for the quarter January – March 2018 as per data available from AMFI. Moreover, Kotak Mahindra Capital Company Limited, our 100% Subsidiary, has the highest ranking among the investment banks in India based on the amount raised through domestic equity issuances for the period April 1, 2013 to March 31, 2018 (*Source: Prime Database*).

We have a strong governance culture and an experienced management team

Ten of the twelve members of our Executive Board are professional entrepreneurs that have spent more than 20 years with our Group and helped us to create various businesses since inception. This continuity in

leadership has carried our Group successfully through periods of global financial crisis and economic downturn, as well as through periods of volatility in markets and interest rates. We also derive our strength from our Promoter, Uday Kotak, an entrepreneur whose leadership achievements have been recognised and rewarded through numerous awards throughout his career, including being named 'Banker of the Year' by Businessworld Magna Awards 2018, 'EY World Entrepreneur of The Year 2014' by Ernst & Young, 'Entrepreneur of the Year' at the Forbes India Leadership Awards 2015 and 'Businessman of the Year 2016' by Business India.

In addition, we have a significant pool of managerial talent in our mid-to-senior ranks so that we are not dependent on the continuing services of any one person.

Having a management team with such length, breadth and depth of experience enables us to have a strong succession pipeline for senior leadership positions and also helps us to carefully nurture our culture of growth, innovation and high quality governance.

Our Business Strategy

Expanding market share in Indian financial services with our established offerings

We aim to expand our market share in Indian financial services by increasing our customer base across the Group. The Bank will continue to be our main customer acquisition engine and we aim to leverage customer growth achieved at the Bank by offering our banking customers products and services offered by our other businesses. To drive growth at the Bank, we are focusing particularly on our digital platform, such as "811" mobile application, to target the mass markets across India. We believe that digital offerings will position us well to capitalise on growth in India's banking and financial services sector arising from India's emerging middle class and growing number of bankable households.

With 1,388 branches across India as of March 31, 2018, we believe that we have a widespread distribution network, through which we can offer our products and services to a broad range of customers, while maintaining profitability. We plan to have a measured growth of our branch network.

Our diversification across financial products and services, coupled with our organizational structure and culture, provides us with an ability to offer various products and services from across our businesses to our expanding base of banking customers. We believe that this will position us well to increase the proportion of our customers' total spending that we capture.

Our life insurance business has been growing through a multi-pronged strategy of entering new geographical markets, cross- selling to our Group's customer base, introducing new products to cater to underpenetrated customer segments, increase the number of life insurance advisers licensed by us and tying up with new distributors.

In our asset management business, the focus has been to deepen penetration through increased distribution tie-ups across channels, increasing accounts under the regular saving SIPs and further improving performance of existing funds. As a result, our AUM has grown from ₹ 1,41,336 crore for March 31, 2017 to ₹ 1,82,519 crore for March 31, 2018 including insurance and alternate investments. These initiatives are expected to help us increase our customer base further and also aid in increasing our AUM.

Kotak Securities, our stock broking Subsidiary, has worked with the Bank to leverage on the banks client base to extend broking services. Kotak Securities has also tied up with some other banks to offer broking services to their clients. It uses digital marketing to generate customer leads and has also introduced a number of initiatives to simplify customer on boarding. This is in addition to new products that it launches regularly in line with customer needs.

Focus on Additional Avenues of Organic Growth

In addition to benefiting from the overall growth in India's economy and financial services industry, we aim to increase our market share by continuing to focus on our competitive strengths, including our strong brand and our extensive network, to increase our market penetration. We also aim to deepen our market penetration by pursuing new opportunities in our commercial, corporate and retail lending businesses, as well as by growing

our various non-banking businesses.

Within our banking business, we aim to continue harnessing synergies provided by the eIVBL merger to increase our strength in Business Banking and to grow our corporate loan book. In addition, we have set up an infrastructure debt financing company to increase our corporate loan book through avenues such as infrastructure lending. We have made an entry into the area of consumer durable finance, which we believe holds significant growth potential given increasing household disposable incomes and increased awareness. Moreover, we aim to expand our international presence through an increased focus on our international lending portfolio, through our international banking unit in GIFT City and through the opening of an overseas bank branch in Dubai, for which we have received RBI approval and we are awaiting the approval from the DIFC.

We inherited a strong portfolio of SMEs under our merger with eIVBL. These self-employed customers, in addition to being a strong base for our cross-sell proposition for other Group products and services, especially on the consumer finance side, also serve as a customer segment for our priority and wealth management offerings.

We are not just focused on increasing market penetration in our banking business. We also aim to increase the share of contribution from our complementary non-banking businesses, such as insurance and securities broking.

We see an immense opportunity in the under-penetrated life insurance space. Our life insurance business is well poised to capitalise on the same. We are targeting higher growth through a planned foray into new geographies and customer segments, introducing new tools to improving front-line productivity and retention, increased numbers of life insurance advisors licensed by us and new distribution tie-ups.

Leverage our strong standing to pursue inorganic opportunities

We will actively seek inorganic growth opportunities in the Indian financial services space. These opportunities can take various forms, including acquisitions, mergers, joint ventures, strategic investments and asset purchases. To this end, we will seek inorganic growth opportunities in businesses or assets that are aligned to our business across our product and service lines. We will pursue these inorganic growth opportunities where we see the ability to add value for our stakeholders and customers and also grow our footprint across the Indian banking and financial services chain. For example, from time-to-time in the past we have acquired portfolios from others banks, such as international banks exiting their India businesses, to expand our deposit and loan portfolios. We have also recently acquired BSS Microfinance Limited which was in the business of microfinance. We will also seek out partners and investors for particular businesses and asset classes to diversify the risk of launching new businesses and also benefit from the expertise or track record of such partners and investors in these businesses.

We believe that our successful integration of eIVBL demonstrates our strong ability to execute complex and large transactions.

Capitalize on opportunities arising from the increase in NPAs and stressed assets in the Indian banking industry

In recent years, the level of NPAs and stressed assets across the Indian banking sector has risen substantially. RBI has, post its asset quality review in 2015, introduced various guidelines to banks on ways to handle stressed assets and methods to improve the financial condition of banks. These guidelines cover different aspects such as revisions in rules pertaining to the sale of NPAs, restructuring of stressed assets and availability of data on industry level position of stressed assets. The Bank, is among the few banks in India to buy NPAs from other banks and financial institutions and considers opportunities in the stressed assets space to be of interest. We believe that there could be strategic investment opportunities in the form of setting up and operating an entity focused on purchasing and restructuring of these portfolios. We have and will actively seek out and look to participate in this opportunity either on our own or with a consortium of banks and investors. We are evaluating opportunities to invest in the proposed bad loan asset management company.

Continue our investments in technology

We believe the increased availability of internet access and broadband connectivity across India requires a

comprehensive digital strategy to proactively develop new methods of reaching our customers and running our businesses. We have therefore adopted a four-pronged digital strategy, focusing on: (i) acquiring customers; (ii) enhancing our customer experience; (iii) making our internal business operations more efficient; and (iv) enhancing our cyber security and data protection framework.

We are continuously investing in technology as a means of improving our customers' experience, offering them a range of products tailored to their financial needs and making it easier for them to interact with us. We have launched internet and mobile based applications across most of our product and service portfolios, and we will continue to invest in creating a superior technology infrastructure to support our digital strategy. We believe additional investments in our technology infrastructure to further develop our digital strategy will allow us to cross-sell a wider range of products on our digital platform in response to our customers' needs and thereby expand our relationship with our customers across a range of customer segments. We believe a comprehensive digital strategy will provide benefits in developing long-term customer relationships by allowing customers to interact with us and access their accounts wherever and whenever they desire.

On the operational side, we believe that investments in internal systems and security technology lead to enhanced customer satisfaction, and therefore enhance our competitiveness. Accordingly, we are continuing to invest in technology in order to improve our banking operations and efficiency, to reduce errors arising out of manual intervention and to carry out regular IT audits which are reviewed by committees of our Board. We are also continuing to invest in our cyber security network and privacy protection systems, in order to supplement our growth and increase the robustness of our data security framework.

History

Over the course of the last 30 years, we have built up our business to provide the full suite of financial products for our customers.

We commenced operations in 1985 as a non-bank finance company providing bill-discounting services. In 1987, we entered the lease and hire purchase business. With opening up of the Indian economy in early 1990, we entered the auto finance (1990) and investment banking (1991) business to capitalise on new opportunities. We completed our IPO in 1992. In 1995, we entered into a joint venture with Goldman Sachs and incorporated Kotak Mahindra Capital Company, our investment banking Subsidiary. In 1996, our auto finance business was hived off into a separate company - Kotak Mahindra Primus Limited (now known as Kotak Mahindra Prime Limited), a joint venture with Ford Credit to finance non-Ford vehicles. We also took a significant stake in Ford Credit Kotak Mahindra Limited for financing Ford vehicles. In 1998, we entered into the asset management business with the launch of India's first gilt fund managed by Kotak Mahindra Asset Management Company. Our life insurance Subsidiary, Kotak Mahindra Old Mutual Life Insurance Limited (now known as Kotak Mahindra Life Insurance Company Limited) was incorporated in 2000 as a joint venture with Old Mutual Plc. In the same year, after corporatisation of individual brokers was permitted, the stock broking business became our Subsidiary, Kotak Securities.

In 2003, KMFL, the Group's flagship company, received a banking license from the RBI. With this, KMFL became the first NBFC in India to be converted into a commercial bank - Kotak Mahindra Bank Limited.

In 2004, we became one of the early entrants into the alternate assets business with the launch of a private equity fund. Thereafter, we launched a real estate fund in 2005. In 2005, we realigned our joint venture with Ford Credit to take 100% ownership of Kotak Mahindra Prime (formerly known as Kotak Mahindra Primus Limited). We also sold our stake in Ford Credit Kotak Mahindra to Ford Credit. In 2006, we bought out Goldman Sachs' equity stake in Kotak Mahindra Capital Company Limited and Kotak Securities Limited. In 2008, Phoenix Asset Reconstruction Company obtained registration from RBI to conduct the business of securitisation and asset reconstruction. In 2009, we launched a pension fund under India's National Pension Fund. In 2015, we received IRDAI approval to commence our general insurance business through Kotak Mahindra General Insurance Limited. In 2017, we bought out the 26% equity stake held by Old Mutual Plc in Kotak Life to make it a wholly owned subsidiary.

We have pursued growth also through inorganic initiatives. In 2014, Kotak Mahindra Asset Management Company acquired the schemes of Pinebridge Mutual Fund. In 2015, eIVBL merged in the Bank in one of the largest bank mergers in the Indian banking industry. In 2017, we acquired BSS Microfinance Limited which was in the business of microfinance.

Details of any Acquisition or Amalgamation in the last 1 year

In September 2017, the Bank completed the acquisition of BSS Microfinance Private Limited. In October 2017, the Bank completed the acquisition of 26% equity stake in Kotak Life from Old Mutual Plc, subsequent to which Kotak Life became a 100% subsidiary of Kotak Bank.

Details of any Reorganization or Reconstruction in the last 1 year

There has been no reorganization or reconstruction involving the Bank in the last one year.

Key Operational and Financial Parameters for the last three audited years

The financial statements of the Bank have been prepared in accordance with requirements prescribed under the Third Schedule of the Banking Regulation Act. Accordingly, the information in the below table has been provided in line with the financial statements of the Bank.

A. Based on Consolidated Financial Statements

(₹ in crores)

Sr. No.	Parameters	FY 2017-18 (Audited)	FY 2016-17 (Audited)	FY 2015-16 (Audited)
1	Share Capital	952.82	920.45	917.19
2	Reserves and Surplus	49,533.24	37,570.39	32,443.45
3	Minority Interest	-	474.43	395.60
4	Employees Stock Options (Grants) Outstanding	2.17	1.87	3.41
5	Deposits	1,91,235.80	1,55,540.00	1,35,948.76
6	Borrowings	58,603.97	49,689.91	43,729.79
7	Total Debt (5+6)	2,49,839.77	2,05,229.91	1,79,678.55
8	Policyholders funds	22,425.34	18,792.88	15,148.28
9	Advances	2,05,997.32	1,67,124.91	1,44,792.82
10	Investments	90,976.60	68,461.54	70,273.90
11	Net Fixed Assets	1,749.83	1,755.20	1,757.60
12	Total Income	38,813.31	33,983.76	28,032.36
13	Total Expenditure (Interest expended + operating Expenses)	28,630.34	25,702.91	22,017.05
14	Operating Profit	10,182.97	8,280.85	6,015.31
15	Provisions and Contingencies	4,035.83	3,331.77	2,584.19
16	Profit after tax before Minority Interest	6,147.14	4,949.08	3,431.12
17	Less: Share of Minority Interest	56.67	78.83	65.19
18	Add: Share in profit/ (loss) of Associates	110.50	70.18	92.92
19	Profit after tax	6,200.97	4,940.43	3,458.85
20	% of Gross NPA to Gross Advances	1.95	2.25	2.06
21	% of Net NPA to Net Advances	0.86	1.09	0.93
22	Capital Adequacy Ratio (Basel III)	18.4%	17.2%	17.0%
23	Tier I Capital Adequacy Ratio	17.8%	16.5%	16.1%
24	Tier II Capital Adequacy Ratio	0.6%	0.7%	0.9%
25	Return on Average Assets (%)	2.03	1.95	1.55
26	Earnings per share (in ₹)			

Sr. No.	Parameters	FY 2017-18 (Audited)	FY 2016-17 (Audited)	FY 2015-16 (Audited)
	Basic (₹)	32.70	26.89	18.91
	Diluted (₹)	32.66	26.86	18.87

The consolidated financial statements (unaudited) for the quarter ended June 30, 2018, is annexed herewith as Annexure D.

B. Based on Standalone Financial Statement

(₹ in crores)

Sr. No.	Parameters	FY 2017-18 (Audited)	FY 2016-17 (Audited)	FY 2015-16 (Audited)
1	Share Capital	952.82	920.45	917.19
2	Reserves and Surplus	36,528.83	26,695.62	23,041.87
3	Employees Stock Options (Grants) Outstanding	2.17	1.87	3.41
4	Deposits	1,92,643.27	1,57,425.86	1,38,643.02
5	Borrowings	25,154.15	21,095.48	20,975.34
6	Total Debt (5+6)	2,17,797.42	1,78,521.34	1,59,618.36
7	Advances	1,69,717.92	1,36,082.13	1,18,665.30
8	Investments	64,562.35	45,074.19	51,260.22
9	Net Fixed Assets	1,527.16	1,537.63	1,551.59
10	Total Income	23,800.70	21,176.09	18,996.42
11	Total Expenditure (Interest expended + operating Expenses)	16,642.53	15,191.28	14,955.33
12	Operating Profit	7,158.17	5,984.81	4,041.09
13	Provisions and Contingencies	3,073.87	2,573.31	1,951.31
14	Profit after taxation (PAT)	4,084.30	3,411.50	2,089.78
15	% of Gross NPA to Gross Advances	2.22	2.59	2.36
16	% of Net NPA to Net Advances	0.98	1.26	1.06
17	Capital Adequacy Ratio (Basel III)	18.22%	16.77%	16.34%
18	Tier I Capital Adequacy Ratio	17.56%	15.90%	15.28%
19	Tier II Capital Adequacy Ratio	0.66%	0.87%	1.06%
20	Return on Average Assets (%)	1.73	1.73	1.19
21	Earnings per share (in ₹)			
	Basic (₹)	21.54	18.57	11.42
	Diluted (₹)	21.51	18.55	11.40

The standalone financial statements (unaudited) for the quarter ended June 30, 2018, is annexed herewith as Annexure D.

Maturity* Profile of borrowings of Standalone Bank:

(₹ in crores)

	FY 2017-18	FY 2016-17	FY 2015-16
Upto 1 year	17,764.06	13,366.52	15,680.73
1-3 years	5,124.82	6,174.94	3,286.16
3-5 years	2,265.27	1,112.00	156.30

	FY 2017-18	FY 2016-17	FY 2015-16
More than 5 years	-	442.02	1,852.15
Total	25,154.15	21,095.48	20,975.34

*on Residual maturity basis.

Gross Debt: Equity Ratio of the Bank on a consolidated basis as of March 31, 2018

Before the issue of perpetual non-cumulative preference shares	1.16
After the issue of perpetual non-cumulative preference shares	1.15

Note:
1) Preference shares issued by the Bank has been calculated as part of the equity base.
2) The period between April 1, 2018 and the date of this Information Memorandum has not been considered for the adjustment of the Gross Debt:Equity ratio for the issue of PNCPS 2018.
3) Deposits are not considered as part of debt for the Gross Debt:Equity ratio calculation above.

Our Principal Business Activities

We organise our principal business activities into the following business units: consumer banking, commercial banking, wholesale banking, treasury, and other financial services. The consumer, commercial and wholesale banking businesses correspond to the key customer segments of the Bank. The treasury offers specialised products and services to these customer segments and also undertakes asset liability management as well as proprietary trading.

In addition to our banking activities, our Group offers a significant array of other financial products and services as well, which we operate through our Subsidiaries. These products and services include banking, financing through NBFCs, asset management, insurance, broking, investment banking, wealth management and asset reconstruction.

The table below provides a breakdown of the Bank's total advances and investments on a standalone basis as of the dates indicated.

	As at March 31 (₹ in crore)		
	2016	2017	2018
Consumer Banking Advances #	38,495	44,157	58,392
Commercial Banking Advances *#	44,481	49,148	57,990
Wholesale Banking Advances *	35,689	42,777	53,336
Investments	51,260	45,074	64,562
Total Advances and Investments	**1,69,925**	**1,81,156**	**2,34,280**

***** SME loans have moved from Commercial Bank to Corporate Bank from April 2018.
# Rural housing loans and gold loans have moved from Commercial bank to Consumer bank from April 2018.

Consumer Banking

Overview

Our consumer banking business unit provides a wide range of products and services to retail customers. The products and services include deposits, branch banking services, financial products such as insurance and mutual funds which the unit distributes, consumer finance products such as housing loans, loans secured against property, credit cards, personal loans, loans against securities and unsecured business loans.

Branch Banking

We use a combination of our branch network, ATMs and alternative channels, such as mobile banking, internet banking and 24/7 customer contact centres, to deliver our banking services. Our branch banking offering include deposits, distribution of third party products such as mutual funds and insurance products. We

also distribute three-in-one savings accounts comprising of linked demat and trading accounts offered through Kotak Securities. Our deposit products include the following:

Savings accounts

We offer savings accounts, which are interest bearing on-demand deposit accounts designed primarily for individuals and trusts. For Indian residents, we currently offer rates of 5% on domestic savings deposits up to ₹ 0.01 crore, 6% on domestic savings deposits between ₹ 0.01 crore and up to ₹ 5 crore and 5.5% on domestic savings deposits above ₹ 5 crore.

Current accounts

We also offer current accounts which are non-interest-bearing accounts, designed primarily for businesses. Customers have a choice of regular and premium product offerings with different minimum average quarterly account balance requirements.

Term deposits

The Bank accepts term deposits (also known as fixed deposits or time deposits) giving a fixed return, for periods ranging from 7 days to 10 years. In addition to regular deposits, we also offer specialized products such as recurring deposits (the customer deposits a pre-determined amounts over a predetermined time period), Sweep Term Deposits (deposits which automatically transfer from the customer's CASA account to one or more fixed deposits and vice versa), senior citizen deposits (offers higher rate of interest for Senior Citizens) and non premature withdrawal deposits (deposits which give a little higher rates of interest but are not permitted to be withdrawn prematurely) as improved value added services to our depositors. The Bank also offers overdraft facility against the term deposits to its customers. As of March 31, 2018, Sweep Term Deposits constituted 6.2% of total deposits.

Retail Term Deposits (term deposits of less than ₹1 crore) provides the Bank with cost efficient and stable funding and hence remains a key focus area. We had ₹ 35,348 crore, ₹ 39,034 crore and ₹ 41,934 core in Retail Term Deposits as of March 31, 2016, 2017 and 2018, respectively.

In addition to Retail Term Deposits, the Bank also accepts Wholesale Term Deposits (i.e. deposits of greater than ₹ 1 crore) and also issues CDs selectively as an alternate source of funding, based on ALM and liquidity requirements.

Other Retail Services and Products

Debit Cards

Our debit cards can be used at domestic and international ATMs, point-of-sale terminals and e-commerce portals.

Mutual Funds

We offer our retail customers units in our own mutual funds as well as most of the other large and reputable mutual funds in India. We earn our fee income through a combination of upfront commission and trail income (also known as servicing fees) in subsequent years. We distribute mutual funds primarily through our branches and our personal banking advisors.

Insurance

We have bancassurance arrangements for distribution of life insurance policies and non-life policies with our Subsidiaries, Kotak Life and Kotak General Insurance, respectively. We currently do not distribute third-party insurance products.

We earn upfront commissions on new premiums collected as well as trail income on all policies which are under renewal annually or as specified by the customer.

Investment Advisory

We offer our customers a broad range of investment advice, including advice regarding the purchase of bonds, mutual funds, and alternate assets. For our affluent and mass-affluent segment customers, we run a priority programme called Privy League, providing them with a personal investment advisor. Our wealth management division caters to the investment needs of high net worth investors by structuring customized investment plans. Its customers range from entrepreneurs to business families and professionals. The business caters to around 40% of India's top 100 families. The family office service provides a strategic consolidated view on the client's overall portfolio across multiple advisors, in addition to comprehensive financial solutions that go beyond investments. These include value added services such as assistance with investment structuring, banking and credit, consolidated reporting, referral for philanthropy services and concierge services. The trusteeship services offers estate planning services helping clients with succession planning activities through creation of private trusts.

Forex Cards

We offer travel foreign exchange prepaid cards for which we earn fee income based on the exchange rate conversion and other transaction fees.

Non Resident Services

We offer a range of products and services to NRI customers. Our products include current, savings and term deposits of both NRE and NRO variants. We also offer lending products such as home loans and credit cards. The NRI credit card is offered against an NRE/NRO Term Deposit of ₹ 0.01 crore or above. The credit limit offered can be as high as 80% of the term deposit amount. In addition, we offer remittance and fund transfer solutions in various foreign currencies under our Click2Remit facility. Our NRI customers can also choose to avail of our investment and insurance products and services.

Corporate Salary Accounts

Our corporate salary product offers an efficient payroll service through the Salary2Wealth program, where an employer can open salary accounts for its employees and credit those accounts. The Salary2Wealth program offers various bundled products such as investments, household/ retail assets and a host of value added services across all major industry segments.

Our tablet-based account opening process paired with biometric and Aadhaar integration has enabled faster account opening with reduced turn-around-time.

TASC and Government Business

Our government business division caters to central and state governments and various other autonomous bodies such as municipal corporations, state enterprises, urban local bodies and other implementing agencies. The banking services offered to government entities ranges from online payments/ collections and various other transactions executed through our branch network. We also actively work with multiple government departments to digitize their existing processes in line with the central government's Digital India programme.

The retail institutions business offers customised banking and investment solutions for non-profit institutions such as Trusts, Association, Societies, Clubs ("**TASC**"). These solutions help the respective institutions in easy reconciliation and efficient management of funds.

Consumer Finance

We offer a wide range of consumer loans, including secured loans such as housing loans, loans against property, loans against securities and working capital loans and unsecured products such as credit cards, personal loans and business loans. Loans are classified as consumer loans primarily on the nature of the customer segment, the nature of the product, granularity of the exposure and the end use.

Apart from working with our branches, we also engage with direct selling agents to source customers for our loan products, which we promote across our channels. We also seek to drive customer acquisition through our digital channels. For example, our customers are able to apply for personal loans through our mobile banking app.

Housing loans

We provide housing loans with a maximum tenor of 20 years on under-construction and ready properties, secured by a mortgage on the underlying property. The loan-to-value ratio depends on the tenor, loan size and customer segment. The loan-to-value ratio across our housing loans could go up to 80% at an individual loan level. It may go higher for affordable housing/budget housing loans as per existing regulations. Although the return on equity for these loans is lower as compared to some other product segments, the long tenure of these loans helps maintain a stable loan base and increases the opportunities to cross-sell other products and services.

Loans against property

We offer multi-purpose loans secured against residential or commercial property to salaried or self-employed individuals and small businesses, including proprietorships, partnership firms and companies.

Working capital loans for businesses

We offer facilities such as credit lines, term loans for expansion or addition of facilities and receivables discounting to address the borrowing needs of small businesses. These facilities are typically secured against current assets as well as immovable property, or fixed assets in some cases.

Personal loans, business loans and credit cards

We offer unsecured personal loans at fixed rates to specific customer segments, including salaried individuals and self-employed professionals. These loans can be used for a wide variety of end-uses such as medical, marriage, special occasions, travel and small asset purchase.

We also offer unsecured loans to small businesses and individual businessmen, which we classify as business loans. We are able to provide loans of up to a maximum of ₹ 1 crore, depending on the financial performance of the borrower. We work with multiple credit bureaus to obtain standardised credit scores, which help us conduct a more comprehensive risk assessment of our customers.

We offer consumer and commercial credit cards from Visa and MasterCard (commercial cards), including Gold, Platinum, Signature, and Infinite cards. For customers of our wealth management division and Privy League, we offer the option of applying for a Visa Infinite card and Visa Signature card respectively.

Loans against securities

We offer loans against securities such as equity shares, mutual fund units, government securities and other securities on our approved list. We limit our loans against equity shares to ₹ 0.2 crore per retail customer, in line with regulatory guidelines, and limit the amount of our total exposure secured by particular securities. The minimum margin for lending against equity shares is prescribed by the RBI.

Gold Loans

We offer loans against gold jewellery to specific customer segments; such loans are offered with monthly interest payments and principal due at maturity. These loans also have a margin requirement in the event of a decrease in the value of the gold collateral due to fluctuations in market prices of gold.

Rural Housing and Rural Business Loans

We offer small principal loans for housing and business in the tier 2 to tier 6 locations in India (being areas with populations under 1,00,000). We primarily offer these through our branch network in these locations.

Commercial Banking

Overview

We offer a range of products for agriculture finance, tractor finance, the purchase of commercial vehicles and construction equipment. The commercial banking business focuses on meeting the banking and financial needs of various customer segments with deeper coverage beyond metro and urban centers through an expanding network of branches and business correspondents. The business has specialized units which offer financial solutions in the areas of commercial vehicles, construction equipment, tractor and agriculture

business. It services the priority sector through providing finance for tractor, crop loans, small enterprises and allied agricultural activities thereby helping the Bank meet its financial inclusion goal. In line with growing rural incomes, Bank's commercial bank branches have experienced robust growth across product lines on both in savings and lending side. Post completion of integration with ING Vysya Bank, these commercial bank branches have stabilized and have started contributing towards Bank's growth in a significant manner.

Agriculture and Tractor Finance

Our loans to the agricultural sector consist of loans to farmers, agricultural businesses and corporations. We also have a crop loan portfolio consisting of extending working capital facilities to farmers to finance activities such as agricultural input and farm mechanisation, post-harvest expenses and domestic consumption needs. The amount of funding available is based on the land holding, the crops the farmer cultivates, cropping pattern and the area of operations. We provide tractor finance to individual farmers with the underlying tractor as collateral. In addition, we also provide secured/unsecured financing to tractor dealers. The agriculture and tractor finance portfolio helps us meet our priority sector lending obligations. We are required to lend 40% of our adjusted net bank credit or credit equivalent amount of off balance sheet exposure, whichever is higher, towards priority sectors.

Commercial Vehicles and Construction Equipment Loans

We provide loans for the purchase of commercial vehicles with flexible payment options. We also provide loans for the purchase of various construction, earth-moving and material handling equipment, which includes excavators, cranes, rollers, tippers and loaders.

Wholesale Banking

Corporate Banking

Our corporate banking business caters to various customer and industry segments in the wholesale space, such as large corporations, mid-market corporations, SME businesses, multi-national corporations, financial institutions and commercial real estate. We offer our customers a wide range of banking services covering their working capital, medium term finance, trade finance, foreign exchange services, supply chain, cash management, debt capital markets and other transaction banking requirements. The core focus of our business has been to acquire quality customers on a consistent basis, delivering customized solutions through efficient technology platforms backed by high quality service. We also aim to secure value addition through the cross-selling of our varied products and services.

Our corporate segment focuses on building a strong franchise with quality customers and deepening existing relationships. Our mid-market strategy is driven by targeted client acquisitions and becoming a preferred banker to the mid-market corporations.

We have focused on increasing our market share over the large and mid-market corporations and SME businesses. Our exposures were confined to segments with credit comfort in terms of better rated exposure and industries with a positive outlook.

Our transaction banking group focuses on acquiring customers through understanding our customer's requirements and business. We provide both trade and cash management services. Our cash management services include cheque collection, dividend payment and remittance services.

Our transaction banking product offerings include documentary credits, bank guarantees, export credit and supply chain financing among others. Our focus on driving higher trade, foreign exchange and debt syndication services has resulted in growth in our fee income. Our offerings around cash management services, supply chain management services, escrow account services and other transaction banking services have resulted in a deepening of current account deposits across our customers.

We also focus on product innovation and risk management through technology. We offer a range of fund based and non-fund based services to capital market intermediaries and provide custodial services to domestic and international financial institutions. These services include the safekeeping of securities and collection of dividend and interest payments on securities. We also offer derivative clearing services to domestic and foreign institutional investors.

In order to limit our exposure, we have introduced exposure limits for various industries, which we review periodically based on industry performance. Our industry research group rates industries on an internal scale and they provide industry input when we define our strategies for the industry.

We also continually monitor our portfolio diversification through the tracking of industry, group and company specific exposure limits. We rate our portfolio with an internal credit rating tool, which facilitates appropriate credit selection and monitoring.

The debt capital markets division provides standardised and structured client solutions including the syndication of loans, bonds, mezzanine financing, promoter funding, acquisition financing and securitization. The correspondent banking division actively builds on relationships with offshore banks towards improving quality and international reach for its customers.

SME

Business banking unit, which was part of commercial bank earlier, has recently been shifted to wholesale bank. It extends facilities to SMEs. Such facilities can be in the form of working capital finance such as cash credit, overdraft, term loans, packing credit, buyers credit and trade services for domestic and international trade such as documentary credit, letter of credit backed bill discounting, bank guarantees, bill collection and processing remittances among others. We also offer products to meet the foreign exchange related requirements of our customers.

Treasury

Our treasury group manages our balance sheet, including maintaining reserve and liquidity requirements and managing market and liquidity risk. The treasury group also advises and executes the foreign exchange and derivatives transactions for our corporate and institutional customers. In addition, treasury offers certificates of deposit to our corporate and institutional customers. CDs are discounted liquid instruments which are tradable and hence evince interest from investors. Subscribers to the Bank's CDs are well diversified ranging from banks, mutual funds, insurance companies and corporates. Typical tenors where the Bank's CDs are issued range between 60 to 365 days.

Our treasury group seeks to optimize profits through active management of the Bank's investment book, which comprises of government securities and non-government securities. Our investments stood at ₹ 64,562 crore as of March 31, 2018, as compared to ₹ 45,074 crore as of March 31, 2017 and ₹ 51,260 crore as of March 31, 2016.

We have four divisions within our treasury group, namely fixed income, balance sheet management, bullion and the forex division. Our balance sheet management unit manages the asset liability mismatches, interest rate and liquidity gaps and the implementation of funds transfer pricing between various business units. Our forex division offers forex solutions to our retail and corporate customers.

Other Financial Services

Overview

We provide a diverse array of financial products and services, a key component of our overall strategy of increased cross-selling and deeper customer penetration. These services include financing through NBFCs, life and general insurance, stock broking, asset management, investment banking and wealth management.

The largest Subsidiaries in our Group by profit after tax in FY2018 were Kotak Mahindra Prime Limited (NBFC), Kotak Securities Limited (our stock broking Subsidiary), Kotak Mahindra Life Insurance Company Limited (our life insurance Subsidiary) and Kotak Mahindra Investments Limited (NBFC), which respectively accounted for 9.5%, 8.6%, 6.7%, and 4.0% of our consolidated profit after tax for the FY2018. These four Subsidiaries, when taken together with Kotak Bank, accounted for 94.6% of our profit after tax for FY 2018, with the rest of our Subsidiaries together accounted for the remaining 5.4% of our profit after tax for FY 2018.

Kotak Mahindra Prime Limited

We offer car loans through our Subsidiary, Kotak Prime. Kotak Prime offers loans to customers against the underlying vehicle as collateral. These loans can be for new cars, used cars or for refinance against existing car. We also offer financing to car dealers against security collateral such as immovable property and current assets. In addition, we also offer top-up loans (additional loan on the underlying car as collateral on reduction of outstanding loan-to-value due to repayments) to our customers, with existing car loans, who have a good repayment track record.

Kotak Prime also offers other products such as capital markets - based lending and real estate developer financing.

As of March 31, 2018, Kotak Prime had a retail distribution network comprising 83 outlets in 83 cities and towns across India.

Kotak Mahindra Investments Limited

Kotak Mahindra Investments Limited offers comprehensive financial solutions such as financing against securities, acquisition financing, promoter financing, mezzanine debt solutions, bridge loans, take out financing including structured debt. Kotak Investments also offers financial assistance to real estate developers for construction and development of residential complexes, commercial buildings and SEZ, among others. It also offers products such as loan against property and lease rental discounting to the developers.

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

Kotak Mahindra Old Mutual Life Insurance Limited was a 74:26 joint venture partnership between Kotak Mahindra Group and Old Mutual Plc, based in UK. In April 2017, the Bank executed a share purchase agreement with Old Mutual Plc. to acquire its 26% stake in Kotak Life, subject to regulatory approvals for a cash consideration of ₹ 1,292.70 crore. The transaction was consummated in October 2017 and Kotak Life has become a 100% subsidiary of the Bank.

Kotak Life is in the business of life insurance, annuity and providing employee benefit products to its individual and group clientele. Kotak Life has developed a multi-channel distribution network to cater to its customers and markets through agency, alternate group and online channels on a pan-India basis. For FY2018, Kotak Life was ranked fifth largest private sector life insurer in terms of individual first year premiums for FY2018 on the basis of data for all life insurers released by the Life Insurance Council of India. As of March 31, 2018, Kotak Life's solvency ratio was 3.05, as against the minimum regulatory requirement of 1.5.

As on March 31, 2018, Kotak Life had 227 life insurance branches.

Kotak Securities Limited

Retail broking

Under retail broking, we help customers trade in the stock market, invest in IPOs, mutual funds, currency derivatives across online and offline modes. We are also registered as participants with depositories viz. NSDL and CDSL, enabling us to provide depository services, including for trade settlement to our customers.

As of March 31, 2018, Kotak Securities has a registered customer base of approximately 0.14 crore secondary market customers through 1,325 outlets and additional sub-brokers and authorized persons.

Institutional broking and Research

KIE covers secondary market broking and markets Indian equity offerings, including IPOs, to domestic mutual funds, FIIs, FPIs, insurance companies, sovereign funds and pension funds. KIE has a full-fledged research division, engaged in macro-economic studies, and industry- and company-specific equity research.

KIE offers high quality trade execution on the cash and futures and options desk. It also offers its clients extensive corporate access leveraging on the Group’s corporate relationships. KIE's clients can address their trading needs through a single window and also take benefit of the bank’s PCM services and custodial services.

Kotak Mahindra Capital Company Limited

Our investment bank, KMCC, services our customers by advising on equity capital markets issuances, merger and acquisitions, private equity and infrastructure projects. KMCC works with customers across wide range of sectors including automobiles, infrastructure, banking and finance, media and entertainment, consumer and retail, real estate, healthcare and pharmaceuticals, technology, industrials, engineering and telecommunications. KMCC, our 100% Subsidiary, has the highest ranking among the investment banks in India based on the amount raised through domestic equity issuances for the period April 1, 2013 to March 31, 2018 (*Source: Prime Database*).

Kotak Mahindra Asset Management Company Limited

KMAMC is the investment manager to our mutual funds, with KMT acting as trustee. KMAMC was the seventh largest mutual fund manager in India by average AUM, for the quarter of January – March 2018 based figures available from the AMFI. KMAMC raises its assets under management through a variety of distribution channels, such as banks, independent financial advisors, large brokers, branches and online channels. As of March 31, 2018, KMAMC had 83 branches across India.

Kotak Mahindra (UK) Limited and Kotak Mahindra Asset Management (Singapore) Pte. Limited

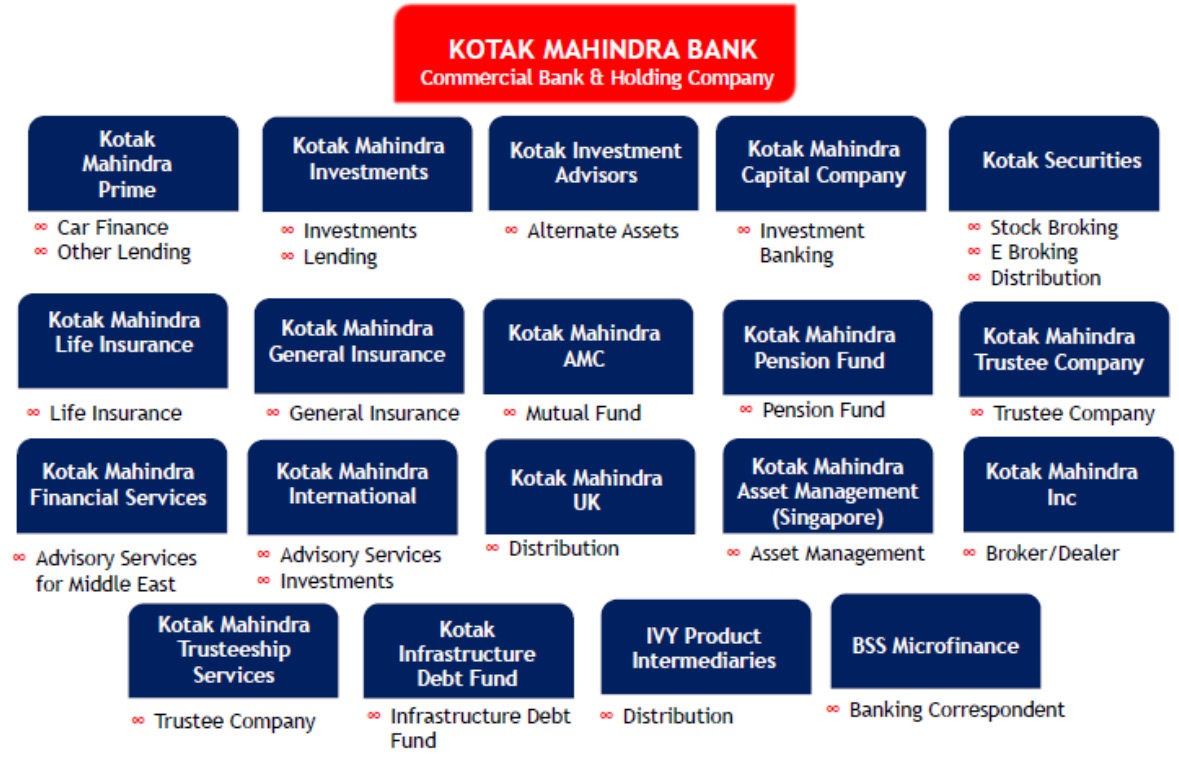
We provide asset management services to overseas investors seeking to invest in India through our Subsidiaries Kotak Mahindra (UK) Limited and Kotak Mahindra Asset Management (Singapore) Pte. Limited. Through these Subsidiaries, investors can access our asset management capabilities through funds domiciled outside India.

In Singapore, Kotak Mahindra Asset Management (Singapore) Pte. Limited is registered with the Monetary Authority of Singapore and holds a capital markets license to engage in fund management activities.

Kotak Investment Advisors Limited

Through Kotak Investment Advisors Limited, we advise our customers on investments into alternative assets such as private equity funds, real estate funds and special situation funds.

Corporate Structure



All subsidiaries are 100% owned beneficially by the Bank.

Distribution Channels

Branch Network

As of March 31, 2018, we had an aggregate of 1,388 bank branches across India. We also have an international banking unit in the International Finance Services Centre at GIFT City. Additionally we have RBI approval to set-up a branch in the DIFC and is subject to the receipt of approvals in the host country.

As of March 31, 2018, 44.5%, 21.5%, 20.0% and 14.0% of our branches were located in metro, urban, semi-urban and rural locations, respectively as clarified by the RBI.

ATM Network

As of March 31, 2018, we had a total of 2,199 ATMs. We issue Visa, MasterCard and Rupay debit cards which can be used on all our ATMs and other bank ATMs in India. In addition, our Visa and MasterCard debit cum ATM cards can also be used at international ATMs.

Phone Banking

Our customers can access their accounts over the phone through our 24-hour automated voice response system and can order cheque books, conduct balance inquiries and order stop payments on cheques. In selected cities, our customers can engage in financial transactions (such as cash transfers, opening deposits and ordering demand drafts) over the phone. A foundation for Natural Language Processing (NLP) was laid down and enabled the launch of 'Keya' the first Artificial Intelligence (AI) powered Voicebot in the banking sector. Developed on a library of millions of phone banking conversations, 'Keya' services customers in English and Hindi and facilitates the resolution of customer queries in a single interaction.

Digital Offerings

Kotak Mahindra Bank

Our digital strategy focuses on: (i) acquiring customers, (ii) enhancing our customer experience, (iii) making our internal business operations more efficient, and (iv) enhancing our cyber security and data protection framework. The strategy is supported by our Group's core pillars which include ease of use, scalability, cost effectiveness and increased agility.

Through internet banking, our customers can perform various transactions such as accessing account information, tracking transactions, ordering cheque books, requesting stop cheque payments, transferring funds between accounts and to third parties accounts, opening fixed deposits, transacting in mutual funds, paying bills and making demand draft requests. Apart from internet banking, our mobile banking services allow our customers to perform a range of transactions including bill-payments, recharge, fund-transfer, online shopping and access to investments.

Enabling digital payments in a fast, safe and secure manner forms another key component of our digital strategy. We have introduced a number of features that can be accessed natively through our mobile banking app to facilitate the same, including (i) an integrated payment platform where funds transfers can be made easily, wherein we have also integrated QR code recognition to allow our customers to transfer funds via the scanning of the mVisa and Bharat QR standards; (ii) an m-store with offerings across categories such as movies, online shopping, travel, magazines where our customers are able to book tickets and shop online; comprehensive banking services where our customers can access their accounts, credit cards, apply for health insurance, and apply for an instant personal loan and (iii) update their mobile number, email id, PAN, Aadhar on real time basis.

We have rolled out additional features across our digital channels to further enhance customer experience. Some of them include online customer profile updating, online submission of 15G/H forms (used for claiming reduced deduction of tax deducted at source on interest earned on term deposits), pre-approved loans, personal loans in 72 hours, superfast home loans and DigiLocker. DigiLocker is the Government of India's cloud-based platform for issuance and verification of documents and certificates digitally. Such initiatives are steps towards making banking easier and more convenient for our customers.

To remain at the forefront of continuous innovation, we have created an innovation hub wherein we work on emerging transformational technologies such as blockchain, artificial intelligence, security and analytics. We have also set up a special design studio dedicated to improving user experience and engagement across digital channels. We have also partnered with various financial technology companies to develop and roll out new technologies.

In March 2017, we launched Kotak 811, a digital service that we offer through our mobile banking app that allows potential customers to open a savings account on their mobile through a completely paperless procedure. We were the first bank in India to integrate the newly introduced Aadhaar-based OTP authentication process for savings account opening on mobile. 811 is a unique, full-service digital banking ecosystem on mobile, designed around the ideas of simplicity and ease of use. Using the Aadhaar OTP guidelines for account opening issued by the RBI, 811 allow customers to open a bank account in under 5 minutes, by simply downloading an app on their mobile phone. The product has no balance commitment, zero charges on digital transactions, and a competitive interest rate of up to 6% on account balances.

The ability to manage and analyse data has become key. Hence, strategic digital and technology initiatives in FY2018 were the implementation of an upgraded enterprise data warehouse and a big data platform. These platforms facilitate the Bank's ability to use analytics to provide personalised customer experience with improved service and customised offers.

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

Our Subsidiaries are also embracing the digital revolution. Some key highlights of our Subsidiaries' digital initiatives are given below:

Kotak Securities

Kotak Securities, our brokerage arm, has introduced the Kotak Stock Trader application which allows customers to trade via the mobile application. The mobile trading application continues to be a leader in the market. Kotak Securities also introduced client onboarding through a tie-up with UIDAI where-in customer's details are validated electronically using his Aadhaar number enabling instant account opening and trading for the customer. Kotak Securities also introduced a new trading platform with advanced market analytics for all customers called the TradeSmart Terminal. To experience faster service and query resolution, Kotak Securities customers can be serviced through mediums such as WhatsApp and Telegram.

During FY2018, Kotak Securities saw a 142% growth in Mobile cash ADV and a 130% growth in Mobile Total ADV.

Kotak Life and Kotak General Insurance

The number of policies which our insurance Subsidiaries provide has increased with the deployment of Genie, a mobile application to serve as an end to end sales solution and designed to allow our customers access to our insurance products. In FY 2018, 77% of the individual policies were sourced using Genie vs. 29% in FY 2017.

Competition

We face intense competition in all of our principal lines of business. Our primary competitors are some of the public sector banks, private sector banks, foreign banks, cooperative banks and, for some products, NBFCs, mutual funds, insurance companies and investment banks.

Kotak Bank

In consumer banking, our principal competitors are public sector banks, private sector banks, foreign banks and NBFCs in the case of retail loan products and credit cards. In mutual fund sales, insurance distribution and other investment-related products, our principal competitors are broking houses, foreign banks, private sector banks and public sector banks. In addition, some foreign banks have a significant presence among non-resident Indians and also compete for non-branch-based products.

Our principal competitors in the commercial banking space are certain public sector banks, private sector banks and foreign banks. We also face significant competition from NBFCs in areas such as tractor finance, and commercial vehicle finance.

Our principal competitors in corporate banking are public sector banks, private sector banks, foreign banks and financial institutions. The large public sector banks have traditionally been the market leaders in this space. Foreign banks have focused primarily on serving the needs of multinational companies and Indian corporations with cross-border financing requirements including trade and transactional services and foreign exchange products and derivatives, while large public sector banks have large local currency funding capabilities through their extensive branch networks.

In our treasury advisory services for corporate customers, we compete principally with foreign banks, private sector banks and public sector banks in the foreign exchange and money markets businesses.

Kotak Prime

Kotak Prime's primary competitors are public sector banks, private sector banks, co-operative banks, regional rural banks and NBFCs. Banks are increasingly expanding into retail loans in the rural and semi-urban areas of India.

Kotak Investments

Kotak Investments competes primarily with banks and other NBFCs focused on wholesale lending, private equity funds focused on lending to real estate developers and structured lending. Mutual funds are also becoming a big competition in vanilla financing to large and medium corporates.

Kotak Life

We face intense competition in the Indian insurance market from both public and private sector competitors. We believe that competition in the Indian insurance sector is based on a number of factors, including distribution networks, quality of service, product features, pricing, marketing methods, brand recognition, financial strength ratings and other indicators of financial soundness. We also believe that products offered by the life insurance sector compete with other financial services products. In the area of savings-oriented insurance products, we compete with mutual fund companies, bank fixed deposits and Government small saving schemes.

Kotak Securities

Our competitors in the retail broking business include domestic brokerage houses and broking Subsidiaries of other private sector banks. On the institutional broking side, we compete with international and domestic broking houses.

Employees

The Group had an employee base of around 50,000 as on March 31, 2018 (March 31, 2017 and 2016: around 44,000 and around 42,000 respectively). Most of our employees are located in India. In addition to our own employees, we also engage contract labour through registered contractors for ancillary activities.

CAPITAL STRUCTURE

(a) Details of Share Capital as of the date of this IM

Share Capital	
Authorized Share Capital*	₹1900,00,00,000 consisting of 280,00,00,000 Equity Shares of face value of ₹ 5 each and 100,00,00,000 Preference Shares of face value of ₹5 each
Equity Share Capital	₹1400,00,00,000 consisting of 280,00,00,000 Equity Shares of face value of ₹5 each
Preference Share Capital	₹500,00,00,000 consisting of 100,00,00,000 Preference Shares of face value of ₹5 each
Issued, Subscribed and Paid-up Share Capital	₹953,16,12,370 consisting of 190,63,22,474 Equity Shares of face value of ₹5 each
Equity Share Capital	₹953,16,12,370 consisting of 190,63,22,474 Equity Shares of face value of ₹5 each
Preference Share Capital	Nil
Size of the Issue	Up to ₹500,00,00,000 consisting of 100,00,00,000 Preference Shares of face value of ₹5 each
Paid up Capital of the Issuer after the Issue	₹953,16,12,370 consisting of 190,63,22,474 Equity Shares of face value of ₹5 each and ₹500,00,00,000 consisting of 100,00,00,000 Preference Shares of face value of ₹ 5 each
Equity Share Capital	₹953,16,12,370 consisting of 190,61,31,883 Equity Shares of face value of ₹5 each
Preference Share Capital#	Up to ₹500,00,00,000 consisting of 100,00,00,000 Preference Shares of face value of ₹5 each
Share Premium Account	
Before the Issue	₹ 16,025.7 crores
After the Issue	₹ 16,025.7 crores

**The Board of Directors of the Bank at its meeting held on May 19, 2018 had proposed to seek approval of Shareholders at the ensuing Annual General Meeting of the Bank scheduled on July 19, 2018, to increase the authorized share capital of the Bank from the existing ₹15,000,000,000 to ₹19,000,000,000 divided into 2,800,000,000 equity shares of ₹5 each; and 1,000,000,000 preference shares of ₹ 5 each. The Shareholders have approved the same at the Annual General Meeting of the Bank held on July 19, 2018.*

#Assuming a full subscription to the Issue aggregating to ₹5,000,000,000.

(b) Changes to the authorised capital structure of the Bank as of the date of this IM, since last five years

Date of change (AGM/EGM)	Amount in ₹	Particulars
Authorised Share Capital		
July 18, 2013#	500,00,00,000	100,00,00,000 equity shares of the face value of ₹5 each
January 7, 2015@	700,00,00,000	140,00,00,000 equity shares of the face value of ₹5 each
April 3, 2015^	900,00,00,000	180,00,00,000 equity shares of the face value of ₹5 each
June 29, 2015*	1,500,00,00,000	300,00,00,000 equity shares of the face value of ₹5 each
July 19, 2018**	1,900,00,00,000	2,800,000,000 equity shares of ₹5 each; and 1,000,000,000 preference shares of ₹ 5 each

#Authorised Share Capital of the Bank was altered and increased from ₹400,00,00,000 consisting of 80,00,00,000 Equity Shares of ₹5 each to ₹500,00,00,000 consisting of 100,00,00,000 Equity Shares of ₹5 each.

@Authorised Share Capital of the Bank was altered and increased from ₹500,00,00,000 consisting of 100,00,00,000 Equity Shares of ₹5 each to ₹700,00,00,000 consisting of 140,00,00,000 Equity Shares of ₹5 each.

^At the meeting of the Board of Directors of the Bank held on April 3, 2015, the Authorised Share Capital of the Bank was increased from ₹700,00,00,000 consisting of 140,00,00,000 Equity Shares of ₹5 each to ₹900,00,00,000 consisting of 180,00,00,000 Equity Shares of ₹5 each, pursuant to the Scheme of Amalgamation of eIVBL with the Bank.

**Authorised Share Capital of the Bank was altered and increased from ₹900,00,00,000 consisting of 180,00,00,000 Equity Shares of ₹5 each to ₹1,500,00,00,000 consisting of 300,00,00,000 Equity Shares of ₹5 each.*

*** Authorised Share Capital of the Bank was altered and increased from ₹1500,00,00,000 consisting of 300,00,00,000 Equity Shares of ₹5 each to ₹1900,00,00,000 divided into 280,00,00,000 equity shares of ₹5 each; and 100,00,00,000 preference shares of ₹ 5 each.*

(c) Revised paid-up capital, and consequent shareholding of the Bank

Subsequent to this issue of up to Rs. 500 crores of PNCPS 2018, the revised paid up capital of the Bank shall be as below:

	Paid Up Share Capital (Rs.cr)
Authorized Share Capital	
- 280,00,00,000 equity shares of Rs.5 each	1,400.00
- 100,00,00,000 preference shares of Rs.5 each	500.00
Total Authorized Share Capital	1,900.00
Paid-up Share Capital	
- 190,63,22,474 equity shares of Rs.5 each	953.16
- 100,00,00,000 preference shares of Rs.5 each	500.00
Total Paid-up Share Capital	1,453.16

Consequently, the shareholding of the Bank, after the PNCPS 2018 issue would be as follows:

Shareholder Type	**Pre-Issue Ownership of Total Paid Up Capital Rs. Crore**	**Post-Issue Ownership of Total Paid Up Capital Rs. Crore**	**% Ownership of Post-Issue Equity Share Capital**	**% Ownership of Post-Issue Total Paid Up Capital**
Promoter Equity Shares	286.23	286.23	30.03	19.70
Public Equity Shares	666.93	666.93	69.97	45.89
PNCPS 2018 Investors	0.00	500.00	0.00	34.41
Total Paid Up Capital	953.16	1,453.16	100.00	100.00

(d) Share Capital History of the Bank as of June 30, 2018, since the last five years

(i) Equity Share Capital History of the Bank

The following table sets forth details of allotments of Equity Shares of the Bank as of June 30, 2018, since the last five years:

(in ₹, unless otherwise stated and except share data)

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Consideration (cash, other than cash etc.)	Nature of Allotment	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital (₹)	Equity Share Premium (₹)	
July 2, 2013	29,750	5	147.5	Cash	ESOP Allotment	76,73,77,665	3,83,68,88,325	54,37,66,76,108	ESOP Scheme 2007/15 (IV)
	17,650		147.5						ESOP Scheme 2007/17 (IV)
	79,058		421						ESOP Scheme 2007/32 (II)
July 24, 2013	10,000	5	147.5	Cash	ESOP Allotment	76,74,80,184	3,83,74,00,920	54,41,55,43,275	ESOP Scheme 2007/15 (IV)
	6,425		147.5						ESOP Scheme 2007/17 (IV)
	64,844		421						ESOP Scheme 2007/32 (II)
	21,250		305						ESOP Scheme 2007/33 (II)
August 12, 2013	20,750	5	147.5	Cash	ESOP Allotment	76,78,62,767	3,83,93,13,835	54,54,98,12,034	ESOP Scheme 2007/15 (IV)
	14,675		147.5						ESOP Scheme 2007/17 (IV)
	94,316		312.5						ESOP Scheme 2007/26 (II)
	1,75,300		337.5						ESOP Scheme 2007/27 (II)
	14,000		200						ESOP Scheme 2007/28 (III)
	63,542		421						ESOP Scheme 2007/32 (II)
August 27, 2013	7,500	5	147.5	Cash	ESOP Allotment	76,80,65,154	3,84,03,25,770	54,62,19,34,190	ESOP Scheme 2007/15 (IV)
	5,400		147.5						ESOP Scheme 2007/17 (IV)
	37,289		312.5						ESOP Scheme 2007/26 (II)
	1,30,600		337.5						ESOP Scheme 2007/27 (II)
	21,598		421						ESOP Scheme 2007/32 (II)
September 17, 2013	1,450	5	147.5	Cash	ESOP Allotment	76,82,43,055	3,84,12,15,275	54,68,68,59,950	ESOP Scheme 2007/17 (IV)
	2,230		200						ESOP Scheme 2007/18 (IV)
	27,488		312.5						ESOP Scheme2007/26 (II)
	1,31,500		337.5						ESOP Scheme 2007/27 (II)
	15,233		421						ESOP Scheme 2007/32 (II)
October 7,	2,750	5	147.5	Cash	ESOP Allotment	76,86,70,022	3,84,33,50,110	54,84,43,02,215	ESOP Scheme 2007/17 (IV)

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Consideration (cash, other than cash etc.)	Nature of Allotment	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital (₹)	Equity Share Premium (₹)	
2013	43,500		312.5						ESOP Scheme 2007/26 (II)
	3,37,600		337.5						ESOP Scheme 007/27 (II)
	35,335		421						ESOP Scheme 2007/32 (II)
	7,782		545						ESOP Scheme 2007/34 (I)
November 1, 2013	16,000	5	147.5	Cash	ESOP Allotment	76,87,97,738	3,84,39,88,690	54,89,25,73,291	ESOP Scheme 2007/15 (IV)
	1,450		147.5						ESOP Scheme 2007/17 (IV)
	28,817		312.5						ESOP Scheme 2007/26 (II)
	17,500		200						ESOP Scheme 2007/28 (III)
	47,141		421						ESOP Scheme 2007/32 (II)
	16,808		545						ESOP Scheme 2007/34 (I)
November 28, 2013	1,000	5	147.5	Cash	ESOP Allotment	76,89,24,599	3,84,46,22,995	54,94,53,94,052	ESOP Scheme 2007/15 (IV)
	1,000		147.5						ESOP Scheme 2007/17 (IV)
	2,840		200						ESOP Scheme 2007/18 (IV)
	4,910		5						ESOP Scheme 2007/23 (IV)
	38,531		312.5						ESOP Scheme 2007/26 (II)
	9,811		250						ESOP Scheme 2007/30 (III)
	250		250						ESOP Scheme 2007/30 (IV)
	49,082		421						ESOP Scheme 2007/32 (II)
	19,437		545						ESOP Scheme 2007/34 (I)
December 16, 2013	1,250	5	147.5	Cash	ESOP Allotment	76,91,17,006	3,84,55,85,030	55,02,40,37,263	ESOP Scheme 2007/17 (IV)
	128		5						ESOP Scheme 2007/23 (IV)
	76,390		312.5						ESOP Scheme 2007/26 (II)
	16,031		250						ESOP Scheme 2007/30 (III)
	75,830		421						ESOP Scheme 2007/32 (II)
	10,000		305						ESOP Scheme 2007/33 (II)
	9828		545						ESOP Scheme 2007/34 (I)
	2950		545						ESOP Scheme 2007/38 (I)
January 7, 2014	11,000	5	147.5	Cash	ESOP Allotment	76,95,96,412	3,84,79,82,060	55,21,39,19,834	ESOP Scheme 2007/15 (IV)
	2,800		147.5						ESOP Scheme 2007/17 (IV)
	928		200						ESOP Scheme 2007/18 (IV)
	398		5						ESOP Scheme 2007/23 (IV)
	1,32,867		312.5						ESOP Scheme 2007/26 (II)

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Consideration (cash, other than cash etc.)	Nature of Allotment	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital (₹)	Equity Share Premium (₹)	
	83,873		312.5						ESOP Scheme 2007/26 (III)
	22,720		250						ESOP Scheme 2007/30 (III)
	1,82,778		421						ESOP Scheme 2007/32 (II)
	18,750		305						ESOP Scheme 2007/33(II)
	15,138		545						ESOP Scheme 2007/34 (I)
	6,804		350						ESOP Scheme 2007/36 (I)
	1,350		545						ESOP Scheme 2007/37 (I)
January 30, 2014	90,000	5	147.5	Cash	ESOP Allotment	76,97,97,261	3,84,89,86,305	55,27,23,10,729	ESOP Scheme 2007/15 (IV)
	8,550		147.5						ESOP Scheme 2007/17 (IV)
	2,680		200						ESOP Scheme 2007/18 (IV)
	50,825		312.5						ESOP Scheme 2007/26 (III)
	17,085		250						ESOP Scheme 2007/30 (III)
	1,500		421						ESOP Scheme 2007/32
	30,209		545						ESOP Scheme 2007/34 (I)
February 25, 2014	38,000	5	147.5	Cash	ESOP Allotment	76,99,52,736	3,84,97,63,680	55,32,63,81,931	ESOP Scheme 2007/15 (IV)
	13,500		147.5						ESOP Scheme 2007/17 (IV)
	44,409		312.5						ESOP Scheme 2007/26 (III)
	21,180		250						ESOP Scheme 2007/30 (III)
	616		421						ESOP Scheme 2007/32
	37,770		545						ESOP Scheme 2007/34 (I)
March 10, 2014	86,000	5	147.5	Cash	ESOP Allotment	77,00,89,974	3,85,04,49,870	55,36,31,54,837	ESOP Scheme 2007/15 (IV)
	700		147.5						ESOP Scheme 2007/17 (IV)
	16,179		312.5						ESOP Scheme 2007/26 (III)
	14783		250						ESOP Scheme 2007/30 (III)
	19576		545						ESOP Scheme 2007/34 (I)
March 24, 2014	57,500	5	147.5	Cash	ESOP Allotment	77,02,19,283	3,85,10,96,415	55,40,74,20,327	ESOP Scheme 2007/15 (IV)
	3,550		147.5						ESOP Scheme 2007/17 (IV)
	6,190		312.5						ESOP Scheme 2007/26 (III)
	21,655		250						ESOP Scheme 2007/30 (III)
	29,746		545						ESOP Scheme 2007/34 (I)
	10,668		350						ESOP Scheme 2007/35 (I)
March 31,	4,251	5	147.5	Cash	ESOP Allotment	77,03,11,001	38,515,55,005	55,45,14,89,920	ESOP Scheme 2007/17 (IV)

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Consideration (cash, other than cash etc.)	Nature of Allotment	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital (₹)	Equity Share Premium (₹)	
2014	9,783		312.5						ESOP Scheme 2007/26 (III)
	29,576		250						ESOP Scheme 2007/30 (III)
	48,108		545						ESOP Scheme 2007/34 (I)
April 21, 2014	32,349	5	147.5	Cash	ESOP Allotment	77,03,50,389	3,85,17,51,945	55,45,90,71,051	ESOP Scheme 2007/17 (IV)
	3,902		312.5						ESOP Scheme 2007/26 (III)
	1,995		250						ESOP Scheme 2007/30 (III)
	1,142		545						ESOP Scheme 2007/34 (I)
June 12, 2014	44,296	5	312.5	Cash	ESOP Allotment	77,04,67,156	3,85,23,35,780	55,51,54,61,948	ESOP Scheme 2007/26 (III)
	300		421						ESOP Scheme 2007/32
	61,965		545						ESOP Scheme 2007/34 (II)
	10,206		350						ESOP Scheme 2007/36 (II)
July 3, 2014	19,810	5	312.5	Cash	ESOP Allotment	77,06,25,669	3,85,31,28,345	55,58,66,46,193	ESOP Scheme 2007/26 (III)
	87,875		421						ESOP Scheme 2007/32 (III)
	50,828		545						ESOP Scheme 2007/34 (II)
July 24, 2014	16,106	5	312.5	Cash	ESOP Allotment	77,08,06,015	3,85,40,30,075	55,66,77,09,355	ESOP Scheme 2007/26 (III)
	1,06,244		421						ESOP Scheme 2007/32 (III)
	21,250		305						ESOP Scheme 2007/33 (III)
	25,744		545						ESOP Scheme 2007/34 (II)
	11,002		350						ESOP Scheme 2007/35 (II)
September 1, 2014	8,918	5	312.5	Cash	ESOP Allotment	77,09,00,772	3,85,45,03,860	55,70,91,82,824	ESOP Scheme 2007/26 (III)
	14,000		200						ESOP Scheme 2007/28 (IV)
	125		250						ESOP Scheme 2007/30 (IV)
	47,297		421						ESOP Scheme 2007/32 (III)
	24,417		545						ESOP Scheme 2007/34 (II)
September 30, 2014	65,418	5	312.5	Cash	ESOP Allotment	77,13,34,557	3,85,66,72,785	55,91,40,44,664	ESOP Scheme 2007/26 (III)
	17,500		200						ESOP Scheme 2007/28 (IV)
	1,70,798		421						ESOP Scheme 2007/32 (III)
	28,750		305						ESOP Scheme 2007/33 (III)
	99,379		545						ESOP Scheme 2007/34 (II)
	5,000		350						ESOP Scheme 2007/35 (II)
	2,950		545						ESOP Scheme 2007/38 (II)
	33,570		724						ESOP Scheme 2007/40 (I)

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Consideration (cash, other than cash etc.)	Nature of Allotment	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital (₹)	Equity Share Premium (₹)	
	2,500		550						ESOP Scheme 2007/41 (I)
	7,920		550						ESOP Scheme 2007/42 (I)
October 30, 2014	3,420	5	312.5	Cash	ESOP Allotment	77,13,77,230	3,85,68,86,150	55,93,64,39,687	ESOP Scheme 2007/26 (III)
	18,948		421						ESOP Scheme 2007/32 (III)
	7,410		545						ESOP Scheme 2007/34 (II)
	12,895		724						ESOP Scheme 2007/40 (I)
December 2, 2014	36,316	5	312.5	Cash	ESOP Allotment	77,15,79,128	3,85,78,95,640	56,03,61,85,168	ESOP Scheme 2007/26 (III)
	22,696		250						ESOP Scheme 2007/30 (IV)
	50,207		421						ESOP Scheme 2007/32 (III)
	63,321		545						ESOP Scheme 2007/34 (II)
	2,025		545						ESOP Scheme 2007/37 (II)
	27,333		724						ESOP Scheme 2007/40 (I)
December 26, 2014	40,871	5	312.5	Cash	ESOP Allotment	77,17,29,618	3,85,86,48,090	56,10,05,40,193	ESOP Scheme 2007/26 (III)
	24,470		250						ESOP Scheme 2007/30 (IV)
	76,043		421						ESOP Scheme 2007/32 (III)
	975		545						ESOP Scheme 2007/34 (II)
	8,131		724						ESOP Scheme 2007/40 (I)
January 28, 2015	28,210	5	312.5	Cash	ESOP Allotment	77,19,50,397	3,85,97,51,985	56,19,64,22,908	ESOP Scheme 2007/26 (III)
	24,820		250						ESOP Scheme 2007/30 (IV)
	29,781		421						ESOP Scheme 2007/32 (III)
	1,24,188		421						ESOP Scheme 2007/32 (IV)
	13,780		724						ESOP Scheme 2007/40 (I)
February 16, 2015	19,588	5	250	Cash	ESOP Allotment	77,20,77,388	3,86,03,86,940	56,25,42,84,289	ESOP Scheme 2007/30 (IV)
	94,367		421						ESOP Scheme 2007/32 (IV)
	13,036		724						ESOP Scheme 2007/40 (I)
March 17, 2015	33,860	5	250	Cash	ESOP Allotment	77,21,96,917	3,86,09,84,585	56,32,12,39,414	ESOP Scheme 2007/30 (IV)
	34,493		421						ESOP Scheme 2007/32 (IV)
	41,676		724						ESOP Scheme 2007/40 (I)
	9,500		550						ESOP Scheme 2007/41 (I)
March 24, 2015	8,068	5	250	Cash	ESOP Allotment	77,22,45,238	3,86,12,26,190	56,34,49,45,582	ESOP Scheme 2007/30 (IV)
	29,829		421						ESOP Scheme 2007/32 (IV)
	10,424		724						ESOP Scheme 2007/40 (I)

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Consideration (cash, other than cash etc.)	Nature of Allotment	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital (₹)	Equity Share Premium (₹)	
March 31, 2015	12,031	5	250	Cash	ESOP Allotment	77,23,52,664	3,86,17,63,320	56,39,72,56,775	ESOP Scheme 2007/30 (IV)
	54,524		421						ESOP Scheme 2007/32 (IV)
	21,250		305						ESOP Scheme 2007/33 (IV)
	19,621		724						ESOP Scheme 2007/40 (I)
April 21, 2015	13,92,05,159	5	5	Cash	Merger Ratio of 725 equity shares of ₹5 each in the transferee bank i.e Bank for every 1,000 equity shares of ₹10 each held in transferor bank i.e. ING Vysya Bank Limited.	91,15,48,523	4,55,77,42,615	99,60,37,66,396	13,92,05,159 equity shares of ₹5 each issued to erstwhile shareholders of ING Vysya Bank Limited pursuant to the scheme of amalgamation less 9,300 shares cancelled on account of cross holding. Record date: April 17, 2015, Allotment date: April 21, 2015.
May 7, 2015	1,038	5	250	Cash	ESOP Allotment	91,21,59,247	4,56,07,96,235	99,97,87,82,899	ESOP Scheme 2007/30 (IV)
	32,011		421						ESOP Scheme 2007/32 (IV)
	140		724						ESOP Scheme 2007/40 (I)
	9,091		403						KMBL(IVBL) 2007
	46,998		832						KMBL(IVBL) 2007
	44,941		444						KMBL(IVBL) 2010
	14,864		481						KMBL(IVBL) 2010
	2,00,812		504						KMBL(IVBL) 2010
	72,500		514						KMBL(IVBL) 2010
	78,983		832						KMBL(IVBL) 2010
	1,080		799						KMBL(IVBL) 2013
	1,08,266		832						KMBL(IVBL) 2013
May 28, 2015	67,214	5	421	Cash	ESOP Allotment	91,28,41,920	4,56,42,09,600	100,43,06,88,414	ESOP Scheme 2007/32 (IV)
	24,750		305						ESOP Scheme 2007/33 (IV)
	3,037		185						KMBL(IVBL) 2007
	5,409		362						KMBL(IVBL) 2007
	10,500		403						KMBL(IVBL) 2007

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Consideration (cash, other than cash etc.)	Nature of Allotment	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital (₹)	Equity Share Premium (₹)	
	8,689		444						KMBL(IVBL) 2010
	9,440		481						KMBL(IVBL) 2010
	1,15,988		504						KMBL(IVBL) 2010
	98,292		832						KMBL(IVBL) 2010
	3,04,389		759						KMBL(IVBL) 2013
	2,430		797						KMBL(IVBL) 2013
	32,535		832						KMBL(IVBL) 2013
July 10, 2015[1]	91,28,41,920	5	Bonus (1:1) Record Date – July 9, 2015 Allotment Date – July 10, 2015	Other than cash	Bonus Issue	1,82,56,83,840	9,12,84,19,200	95,86,47,00,414	-
July 16, 2015	1,42,260	5	210.5	Cash	ESOP Allotment	1,82,70,85,982	9,13,54,29,910	96,30,85,26,506	ESOP Scheme 2007/32 (IV)
	66,394		272.5						ESOP Scheme 2007/34 (III)
	4,350		146						KMBL(IVBL) 2007
	4,654		92.5						KMBL(IVBL) 2007
	10,152		201.5						KMBL(IVBL) 2007
	3,916		181						KMBL(IVBL) 2007
	47,618		222						KMBL(IVBL) 2010
	50,026		232.5						KMBL(IVBL) 2010
	17,188		240.5						KMBL(IVBL) 2010
	2,17,550		252						KMBL(IVBL) 2010
	79,974		257						KMBL(IVBL) 2010
	1,95,828		416						KMBL(IVBL) 2010
	4,80,494		379.5						KMBL(IVBL) 2013
	2,916		399.5						KMBL(IVBL) 2013
	78,822		416						KMBL(IVBL) 2013
August 24, 2015	300	5	210.5	Cash	ESOP Allotment	1,82,81,12,992	9,14,05,64,960	96,62,71,48,494	ESOP Scheme 2007/32 (IV)
	61,058		272.5						ESOP Scheme 2007/34 (III)
	38,933		181						KMBL(IVBL) 2007

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Consideration (cash, other than cash etc.)	Nature of Allotment	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital (₹)	Equity Share Premium (₹)	
	36,974		201.5						KMBL(IVBL) 2007
	33,276		416						KMBL(IVBL) 2007
	1,15,814		222						KMBL(IVBL) 2010
	81,036		240.5						KMBL(IVBL) 2010
	1,67,043		252						KMBL(IVBL) 2010
	7,756		278.5						KMBL(IVBL) 2010
	1,26,300		416						KMBL(IVBL) 2010
	3,40,390		379.5						KMBL(IVBL) 2013
	18,130		416						KMBL(IVBL) 2013
September 7, 2015	23,604	5	210.5	Cash	ESOP Allotment	1,82,96,66,759	9,14,83,33,795	97,10,60,45,002	ESOP Scheme 2007/32 (IV)
	8,000		152.5						ESOP Scheme 2007/33 (IV)
	1,40,184		272.5						ESOP Scheme 2007/34 (III)
	26,670		175						ESOP Scheme 2007/35 (III)
	34,020		175						ESOP Scheme 2007/36 (III)
	1,02,171		362						ESOP Scheme 2007/40 (II)
	10,000		275						ESOP Scheme 2007/41 (II)
	15,840		275						ESOP Scheme 2007/42 (II)
	8,700		92.5						KMBL(IVBL) 2007
	47,804		201.5						KMBL(IVBL) 2007
	6,000		416						KMBL(IVBL) 2007
	1,10,048		222						KMBL(IVBL) 2010
	1,46,150		240.5						KMBL(IVBL) 2010
	2,87,226		252						KMBL(IVBL) 2010
	2,10,718		416						KMBL(IVBL) 2010
	3,60,624		379.5						KMBL(IVBL) 2013
	16,008		416						KMBL(IVBL) 2013
September 30, 2015	6,520	5	210.5	Cash	ESOP Allotment	1,83,05,12,584	9,15,25,62,920	97,33,27,19,544	ESOP Scheme 2007/32 (IV)
	84,284		272.5						ESOP Scheme 2007/34 (III)
	52,926		362						ESOP Scheme 2007/40 (II)
	24,834		99						KMBL(IVBL) 2007
	19,236		116.5						KMBL(IVBL) 2007
	14,822		151.5						KMBL(IVBL) 2007

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Consideration (cash, other than cash etc.)	Nature of Allotment	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital (₹)	Equity Share Premium (₹)	
	17,500		181						KMBL(IVBL) 2007
	58,000		201.5						KMBL(IVBL) 2007
	18,452		217.5						KMBL(IVBL) 2007
	14,484		262						KMBL(IVBL) 2007
	44,800		222						KMBL(IVBL) 2010
	15,700		240.5						KMBL(IVBL) 2010
	53,839		252.5						KMBL(IVBL) 2010
	2,49,102		257						KMBL(IVBL) 2010
	19,576		416						KMBL(IVBL) 2010
	1,31,036		379.5						KMBL(IVBL) 2013
	20,714		416						KMBL(IVBL) 2013
October 16, 2015	16,783	5	272.5	Cash	ESOP Allotment	1,83,10,96,991	9,15,54,84,955	97,49,96,23,024	ESOP Scheme 2007/34 (III)
	5,000		272.5						ESOP Scheme 2007/38 (III)
	23,059		362						ESOP Scheme 2007/40
	70,820		406						ESOPScheme2007/44
	21,433		181						KMBL(IVBL) 2007
	11,740		201.5						KMBL(IVBL) 2007
	32,626		416						KMBL(IVBL) 2007
	91,136		222						KMBL(IVBL) 2010
	55,100		240.5						KMBL(IVBL) 2010
	46,008		252						KMBL(IVBL) 2010
	1,44,498		257						KMBL(IVBL) 2010
	56,312		379.5						KMBL(IVBL) 2013
	9,892		416						KMBL(IVBL) 2013
November 4, 2015	18,466	5	272.5	Cash	ESOP Allotment	1,83,13,04,724	9,15,65,23,620	97,57,13,75,010	ESOP Scheme 2007/34 (III)
	900		272.5						ESOP Scheme 2007/38 (III)
	4,588		362						ESOP Scheme 2007/40 (II)
	4,322		406						ESOP Scheme 2007/44 (I)
	1,740		201.5						KMBL(IVBL) 2007
	9,716		222						KMBL(IVBL) 2010
	1,500		240.5						KMBL(IVBL) 2010
	35,086		252						KMBL(IVBL) 2010

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Consideration (cash, other than cash etc.)	Nature of Allotment	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital (₹)	Equity Share Premium (₹)	
	10,000		257						KMBL(IVBL) 2010
	1,250		278.5						KMBL(IVBL) 2010
	47,477		379.5						KMBL(IVBL) 2013
	15,700		416						KMBL(IVBL) 2013
	52,636		436.5						KMBL(IVBL) 2013
	4,352		444						KMBL(IVBL) 2013
November 26, 2015	21,558	5	210.5	Cash	ESOP Allotment	1,83,17,16,940	9,15,85,84,700	97,69,57,99,070	ESOP Scheme 2007/33 (III)
	19,346		272.5						ESOP Scheme 2007/34 (III)
	47,779		362						ESOP Scheme 2007/40 (II)
	33,960		406						ESOP Scheme 2007/44 (I)
	7,000		416						KMBL(IVBL) 2007
	7,877		222						KMBL(IVBL) 2010
	41,552		240.5						KMBL(IVBL) 2010
	1,52,052		252						KMBL(IVBL) 2010
	10,000		416						KMBL(IVBL) 2010
	30,512		379.5						KMBL(IVBL) 2013
	40,580		416						KMBL(IVBL) 2013
December 14, 2015	1,298	5	210.5	Cash	ESOP Allotment	1,83,22,59,304	9,16,12,96,520	97,90,31,10,951	ESOP Scheme 2007/32 (III)
	43,237		272.5						ESOP Scheme 2007/34 (III)
	41,643		362						ESOP Scheme 2007/40 (II)
	16,714		406						ESOP Scheme 2007/44 (I)
	96,548		416						KMBL(IVBL) 2007
	4,329		222						KMBL(IVBL) 2010
	500		240.5						KMBL(IVBL) 2010
	390		252						KMBL(IVBL) 2010
	10,000		416						KMBL(IVBL) 2010
	2,20,257		379.5						KMBL(IVBL) 2013
	26,104		416						KMBL(IVBL) 2013
	81,344		444.5						KMBL(IVBL) 2013
December 31, 2015	5,570	5	210.5	Cash	ESOP Allotment	1,83,24,99,206	9,16,24,96,030	97,98,58,61,297	ESOP Scheme 2007/32 (IV)
	85,256		272.5						ESOP Scheme 2007/34 (III)
	3,376		272.5						ESOP Scheme 2007/37(III)

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Consideration (cash, other than cash etc.)	Nature of Allotment	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital (₹)	Equity Share Premium (₹)	
	13,476		362						ESOP Scheme 2007/40 (II)
	6,982		406						ESOP Scheme 2007/44 (I)
	5,438		252						KMBL(IVBL) 2010
	38,046		416						KMBL(IVBL) 2010
	31,174		379.5						KMBL(IVBL) 2013
	11,948		416						KMBL(IVBL) 2013
	38,636		436.5						KMBL(IVBL) 2013
	1,132	5	272.5	Cash	ESOP Allotment	1,83,29,51,055	9,16,47,55,275	98,15,28,48,018	ESOP Scheme 2007/34 (III)
	64,420		272.5						ESOP Scheme 2007/34 (IV)
	11,917		362						ESOP Scheme 2007/40 (II)
	26,000		275						ESOP Scheme 200741 (II)
	28,218		406						ESOP Scheme 2007/44 (I)
	7,646		300						ESOP Scheme 2007/45 (I)
	5,800		201.5						KMBL(IVBL) 2007
January	1,11,652		416						KMBL(IVBL) 2007
15, 2016	4,350		240.5						KMBL(IVBL) 2010
	20,220		252						KMBL(IVBL) 2010
	1,000		278.5						KMBL(IVBL) 2010
	42,920		416						KMBL(IVBL) 2010
	68,744		379.5						KMBL(IVBL) 2013
	1,924		416						KMBL(IVBL) 2013
	14,000		436.5						KMBL(IVBL) 2013
	41,906		444.5						KMBL(IVBL) 2013
	32,784	5	210.5	Cash	ESOP Allotment	1,83,32,55,065	9,16,62,75,325	98,25,91,48,280	ESOP Scheme 2007/32 (IV)
	59,518		272.5						ESOP Scheme 2007/34 (IV)
	63,510		362						ESOP Scheme 2007/40 (II)
February	51,363		406						ESOP Scheme 2007/44 (I)
4, 2016	26,628		416						KMBL(IVBL) 2007
	14,752		379.5						KMBL(IVBL) 2013
	1,225		416						KMBL(IVBL) 2013
	54,230		436.5						KMBL(IVBL) 2013
February	57,324	5	272.5	Cash	ESOP Allotment	1,83,36,70,808	9,16,83,54,040	98,40,18,14,181	ESOP Scheme 2007/34 IVI)

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Consideration (cash, other than cash etc.)	Nature of Allotment	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital (₹)	Equity Share Premium (₹)	
25, 2016	6,670		175						ESOP Scheme 2007/35 (IV)
	1,36,111		362						ESOP Scheme 2007/40 (II)
	90,001		406						ESOP Scheme 2007/44 (I)
	25,000		300						ESOP Scheme 2007/45 (I)
	10,000		201.5						KMBL(IVBL) 2007
	9,492		222						KMBL(IVBL) 2010
	30,300		240.5						KMBL(IVBL) 2010
	13,448		252						KMBL(IVBL) 2010
	346		278.5						KMBL(IVBL) 2010
	25,756		379.5						KMBL(IVBL) 2013
	11,295		416						KMBL(IVBL) 2013
March 15, 2016	30,558	5	272.5	Cash	ESOP Allotment	1,83,38,72,280	9,16,93,61,400	98,47,66,39,292	ESOP Scheme 2007/34 (IV)
	34,776		362						ESOP Scheme 2007/40 (II)
	1,19,062		406						ESOP Scheme 2007/44 (I)
	2,374		252						KMBL(IVBL) 2010
	3,752		379.5						KMBL(IVBL) 2013
	10,950		416						KMBL(IVBL) 2013
March 30, 2016	2,693	5	272.5	Cash	ESOP Allotment	1,83,43,82,158	9,17,19,10,790	98,64,85,31,825	ESOP Scheme 2007/34 (IV)
	3,374		272.5						ESOP Scheme 2007/37 (IV)
	2,54,601		320						ESOP Scheme 200739 (I)
	92,856		406						ESOP Scheme 2007/44 (I)
	13,686		240.5						KMBL(IVBL) 2010
	36,608		252						KMBL(IVBL) 2010
	8,526		416						KMBL(IVBL) 2010
	84,108		379.5						KMBL(IVBL) 2013
	13,426		416						KMBL(IVBL) 2013
April 22, 2016	13,381	5	272.5	Cash	ESOP Allotment	1,83,46,01,123	9,17,30,05,615	98,72,79,07,914	ESOP Scheme 2007/34 (IV)
	76,850		320						ESOP Scheme 2007/39 (I)
	44,786		406						ESOP Scheme 2007/44 (I)
	58,000		416						KMBL(IVBL) 2007
	222		222						KMBL(IVBL) 2010
	1,912		252						KMBL(IVBL) 2010

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Consideration (cash, other than cash etc.)	Nature of Allotment	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital (₹)	Equity Share Premium (₹)	
	14,144		379.5						KMBL(IVBL) 2013
	9,670		416						KMBL(IVBL) 2013
May 18, 2016	4,472	5	272.5	Cash	ESOP Allotment	1,83,47,71,600	9,17,38,58,000	98,78,57,44,967	ESOP Scheme 2007/34 (IV)
	46,125		320						ESOP Scheme 2007/39 (I)
	5,916		222						KMBL(IVBL) 2010
	2,610		240.5						KMBL(IVBL) 2010
	18,774		252						KMBL(IVBL) 2010
	36,252		416						KMBL(IVBL) 2010
	51,358		379.5						KMBL(IVBL) 2013
	4,970		416						KMBL(IVBL) 2013
June 8, 2016	94,010	5	272.5	Cash	ESOP Allotment	1,83,51,31,446	9,17,56,57,230	98,91,51,42,850	ESOP Scheme 2007/34 (IV)
	1,10,174		320						ESOP Scheme 2007/39 (I)
	16,320		275						ESOP Scheme 2007/42 (III)
	54,000		400						ESOP Scheme 2007/46
	400		201.5						KMBL(IVBL) 2007
	9,916		222						KMBL(IVBL) 2010
	22,358		252						KMBL(IVBL) 2010
	41,200		379.5						KMBL(IVBL) 2013
	11,468		416						KMBL(IVBL) 2013
June 30, 2016	1,48,564	5	272.5	Cash	ESOP Allotment	1,83,55,74,980	9,17,78,74,900	99,04,64,00,456	ESOP Scheme 2007/34 (IV)
	2,00,750		320						ESOP Scheme 200739 (I)
	20,000		175						ESOP Scheme 2007/35 (IV)
	5,800		92.5						KMBL(IVBL) 2007
	16,100		240.5						KMBL(IVBL) 2010
	23,974		252						KMBL(IVBL) 2010
	17,678		416						KMBL(IVBL) 2010
	4,352		379.5						KMBL(IVBL) 2013
	6,066		416						KMBL(IVBL) 2013
	250		444						KMBL(IVBL) 2013
July 12,	43,046	5	272.5	Cash	ESOP Allotment	1,83,57,63,513	9,17,88,17,565	99,10,60,11,106	ESOP Scheme 2007/34 (IV)

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Consideration (cash, other than cash etc.)	Nature of Allotment	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital (₹)	Equity Share Premium (₹)	
2016	32,200		320						ESOP Scheme 200739 (I)
	79,649		362						ESOP Scheme 2007/40 (III)
	17,400		240.5						KMBL(IVBL) 2010
	4,980		252						KMBL(IVBL) 2010
	1,250		278.5						KMBL(IVBL) 2010
	2,654		416						KMBL(IVBL) 2010
	7,254		379.5						KMBL(IVBL) 2013
	100		416						KMBL(IVBL) 2013
August 3, 2016	54,900	5	320	Cash	ESOP Allotment	1,83,59,97,778	9,17,99,88,890	99,18,83,62,800	ESOP Scheme 200739 (I)
	32,367		362						ESOP Scheme 2007/40 (III)
	16,000		275						ESOP Scheme 2007/41 (III)
	54,742		406						ESOP Scheme 2007/44 (II)
	1,000		201.5						KMBL(IVBL) 2007
	4,626		240.5						KMBL(IVBL) 2010
	19,630		252						KMBL(IVBL) 2010
	20,000		416						KMBL(IVBL) 2010
	31,000		379.5						KMBL(IVBL) 2013
August 29, 2016	1,07,500	5	320	Cash	ESOP Allotment	1,83,63,66,957	9,18,18,34,785	99,30,91,03,240	ESOP Scheme 200739 (I)
	1,24,550		320						ESOP Scheme 200739 (II)
	31,513		362						ESOP Scheme 2007/40 (III)
	28,796		406						ESOP Scheme 2007/44 (II)
	9,038		222						KMBL(IVBL) 2010
	6,960		240.5						KMBL(IVBL) 2010
	16,782		252						KMBL(IVBL) 2010
	27,358		379.5						KMBL(IVBL) 2013
	16,682		416						KMBL(IVBL) 2013
September 21, 2016	4,86,900	5	320	Cash	ESOP Allotment	1,83,72,88,329	9,18,64,41,645	99,59,24,65,461	ESOP Scheme 2007/39 (I)
	2,44,550		320						ESOP Scheme 2007/39 (II)
	31,969		362						ESOP Scheme 2007/40 (III)
	26,922		406						ESOP Scheme 2007/44 (II)
	20,632		201.5						KMBL(IVBL) 2007
	79,752		222						KMBL(IVBL) 2010

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Consideration (cash, other than cash etc.)	Nature of Allotment	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital (₹)	Equity Share Premium (₹)	
	10,710		252						KMBL(IVBL) 2010
	1,450		278.5						KMBL(IVBL) 2010
	12,429		379.5						KMBL(IVBL) 2013
	6,058		416						KMBL(IVBL) 2013
November 2, 2016	5,900	5	272.5	Cash	ESOP Allotment	1,83,79,31,481	9,18,96,57,405	99,84,18,73,276	ESOP Scheme 2007/38 (IV)
	2,33,950		320						ESOP Scheme 2007/39 (II)
	65,457		362						ESOP Scheme 2007/40 (III)
	11,500		275						ESOP Scheme 2007/41 (III)
	73,862		406						ESOP Scheme 2007/44 (II)
	1,25,536		665						ESOP Scheme 2007/47 (I)
	2,730		201.5						KMBL(IVBL) 2007
	32,700		222						KMBL(IVBL) 2010
	54,378		240.5						KMBL(IVBL) 2010
	4,456		252						KMBL(IVBL) 2010
	3,046		278.5						KMBL(IVBL) 2010
	14,210		416						KMBL(IVBL) 2010
	9,865		379.5						KMBL(IVBL) 2013
	5,562		416						KMBL(IVBL) 2013
November 18, 2016	330	5	62.184	Cash	Rights & Bonus shares kept in abeyance by eIVBL issued to an individual shareholder	1,83,79,32,141	9,18,96,60,705	99,84,18,73,276	-
	330		-						
November 24, 2016	3,12,856	5	320	Cash	ESOP Allotment	1,83,85,72,903	9,19,28,64,515	100,07,96,80,540	ESOP Scheme 2007/39 (II)
	64,989		362						ESOP Scheme 2007/40 (III)
	2,500		275						ESOP Scheme 2007/41 (III)
	85,125		406						ESOP Scheme 2007/44 (II)
	68,454		665						ESOP Scheme 2007/47 (I)
	350		201.5						KMBL(IVBL) 2007
	46,400		416						KMBL(IVBL) 2007
	30		222						KMBL(IVBL) 2010
	47,000		252						KMBL(IVBL) 2010
	3,700		416						KMBL(IVBL) 2010

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Consideration (cash, other than cash etc.)	Nature of Allotment	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital (₹)	Equity Share Premium (₹)	
	6,926		379.5						KMBL(IVBL) 2013
	2,432		416						KMBL(IVBL) 2013
December 19, 2016	4,24,094	5	320	Cash	ESOP Allotment	1,83,92,61,817	9,19,63,09,085	100,32,95,63,781	ESOP Scheme 200739 (II)
	73,935		362						ESOP Scheme 2007/40 (III)
	48,336		406						ESOP Scheme 2007/44 (II)
	32,646		300						ESOP Scheme 2007/45 (II)
	58,774		665						ESOP Scheme 2007/47 (I)
	1,580		222						KMBL(IVBL) 2010
	15,226		240.5						KMBL(IVBL) 2010
	956		252						KMBL(IVBL) 2010
	18,052		416						KMBL(IVBL) 2010
	14,087		379.5						KMBL(IVBL) 2013
	1,228		416						KMBL(IVBL) 2013
January 13, 2017	51,867	5	362	Cash	ESOP Allotment	1,83,95,69,858	9,19,78,49,290	100,45,89,67,997	ESOP Scheme 2007/40 (III)
	72,487		362						ESOP Scheme 2007/40 (IV)
	1,00,825		406						ESOP Scheme 2007/44 (II)
	43,780		665						ESOP Scheme 2007/47 (I)
	10,000		500						ESOP Scheme 2007/48 (I)
	350		201.5						KMBL(IVBL) 2007
	17,650		252						KMBL(IVBL) 2010
	1,180		379.5						KMBL(IVBL) 2013
	9,902		444						KMBL(IVBL) 2013
February 15, 2017	37,933	5	362	Cash	ESOP Allotment	1,83,98,66,440	9,19,93,32,200	100,58,81,27,200	ESOP Scheme 2007/40 (IV)
	7,400		362						ESOP Scheme 2007/43
	1,28,610		406						ESOP Scheme 2007/44 (II)
	77,733		665						ESOP Scheme 2007/47 (I)
	29,580		222						KMBL(IVBL) 2010
	13,050		240.5						KMBL(IVBL) 2010
	1,926		252						KMBL(IVBL) 2010
	350		379.5						KMBL(IVBL) 2013
March 9, 2017	28,386	5	362	Cash	ESOP Allotment	1,84,04,05,119	9,20,20,25,595	100,83,41,39,397	ESOP Scheme 2007/40 (IV)
	3,450		362						ESOP Scheme 2007/43

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Consideration (cash, other than cash etc.)	Nature of Allotment	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital (₹)	Equity Share Premium (₹)	
	1,51,203		665						ESOP Scheme 2007/47 (I)
	12,620		500						ESOP Scheme 2007/48 (I)
	3,500		690						ESOP Scheme 2015/01 (I)
	1,16,000		416						KMBL(IVBL) 2007
	59,600		252						KMBL(IVBL) 2010
	1,50,166		379.5						KMBL(IVBL) 2013
	13,754		416						KMBL(IVBL) 2013
March 22, 2017	22,658	5	362	Cash	ESOP Allotment	1,84,06,93,600	9,20,34,68,000	100,98,39,37,887	ESOP Scheme 2007/40 (IV)
	89,150		362						ESOP Scheme 2007/43
	1,52,449		665						ESOP Scheme 2007/47 (I)
	314		252						KMBL(IVBL) 2010
	17,476		379.5						KMBL(IVBL) 2013
	6,434		416						KMBL(IVBL) 2013
March 31, 2017	12,114	5	362	Cash	ESOP Allotment	1,84,08,97,877	9,20,44,89,385	101,10,79,73,269	ESOP Scheme 2007/40 (IV)
	1,70,631		665						ESOP Scheme 2007/47 (I)
	7,604		252						KMBL(IVBL) 2010
	13,928		379.5						KMBL(IVBL) 2013
April 26, 2017	22,352	5	362	Cash	ESOP Allotment	1,84,10,28,253	9,20,51,41,265	101,17,12,51,950	ESOP Scheme 2007/40 (IV)
	47,638		665						ESOP Scheme 2007/47 (I)
	8,700		416						KMBL(IVBL) 2010
	9,932		379.5						KMBL(IVBL) 2013
	36,254		399.5						KMBL(IVBL) 2013
	5,500		416						KMBL(IVBL) 2013
May 18, 2017[2]	6,20,00,000	5	936	Cash	Qualified institutions placement	1,90,30,28,253	9,51,51,41,265	158,892, 283,052	-
June 14, 2017	79,322	5	362	Cash	ESOP Allotment	1,90,32,18,838	9,51,60,94,190	158,63,78,72,263	ESOP Scheme 2007/40 (IV)
	30,000		275						ESOP Scheme 2007/41 (IV)
	8,974		665						ESOP Scheme 2007/47
	650		222						KMBL(IVBL) 2010
	7,250		252						KMBL(IVBL) 2010

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Consideration (cash, other than cash etc.)	Nature of Allotment	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital (₹)	Equity Share Premium (₹)	
	6,090		416						KMBL(IVBL) 2010
	51,196		379.5						KMBL(IVBL) 2013
	7,103		416						KMBL(IVBL) 2013
June 27, 2017	1,06,598	5	362	Cash	ESOP Allotment	1,90,33,44,086	9,51,67,20,430	158,67,10,44,230	ESOP Scheme 2007/40 (IV)
	1,120		406						ESOP Scheme 2007/44 (III)
	1,344		665						ESOP Scheme 2007/47 (II)
	1,242		710						ESOP Scheme 2015/02 (I)
	8,077		252						KMBL(IVBL) 2010
	6,867		379.5						KMBL(IVBL) 2013
June 30, 2017	43,016	5	362	Cash	ESOP Allotment	1,90,35,00,911	9,51,75,04,555	158,69,30,28,795	ESOP Scheme 2007/40 (IV)
	89,520		406						ESOP Scheme 2007/44 (III)
	21,764		300						ESOP Scheme 2007/45 (III)
	200		201.5						ESOP Scheme 2007
	1,000		252						KMBL(IVBL) 2010
	1,325		379.5						KMBL(IVBL) 2013
July 13, 2017	64,014	5	406	Cash	ESOP Allotment	1,90,35,69,160	9,51,78,45,800	158,71,51,18,709	ESOP Scheme 2007/44 (III)
	300		201.5						KMBL(IVBL) 2007
	400		252						KMBL(IVBL) 2010
	3,480		240.5						KMBL(IVBL) 2010
	55		379.5						KMBL(IVBL) 2013
August 23, 2017	34,143	5	406	Cash	ESOP Allotment	1,90,37,90,537	9,51,89,52,685	158,84,75,18,579	ESOP Scheme 2007/44 (III)
	1,120		406						ESOP Scheme 2007/44 (IV)
	1,73,313		665						ESOP Scheme 2007/47 (II)
	896		665						ESOP Scheme 2007/47 (III)
	896		665						ESOP Scheme 2007/47 (IV)
	710		201.5						KMBL(IVBL) 2007
	744		222						KMBL(IVBL) 2010
	1,100		240.5						KMBL(IVBL) 2010
	5,401		252						KMBL(IVBL) 2010
	2,854		379.5						KMBL(IVBL) 2013
	200		416						KMBL(IVBL) 2013

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Consideration (cash, other than cash etc.)	Nature of Allotment	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital (₹)	Equity Share Premium (₹)	
September 14, 2017	10,809	5	406	Cash	ESOP Allotment	1,90,38,81,745	9,51,94,08,725	158,90,28,68,848	ESOP Scheme 2007/44 (III)
	69,212		665						ESOP Scheme 2007/47 (II)
	5,120		500						ESOP Scheme 2007/48 (II)
	1,210		201.5						KMBL(IVBL) 2007
	250		252						KMBL(IVBL) 2010
	4,607		379.5						KMBL(IVBL) 2013
September 29, 2017	11,736	5	406	Cash	ESOP Allotment	1,90,40,04,302	9,52,00,21,510	158,96,56,88,975	ESOP Scheme 2007/44 (III)
	61,267		665						ESOP Scheme 2007/47 (II)
	7,500		500						ESOP Scheme 2007/48 (II)
	1,400		201.5						KMBL(IVBL) 2007
	22,450		252						KMBL(IVBL) 2010
	13,002		379.5						KMBL(IVBL) 2013
	5,202		416						KMBL(IVBL) 2013
November 2, 2017	12,674	5	406	Cash	ESOP Allotment	1,90,42,34,027	9,52,11,70,135	159,11,20,80,517	ESOP Scheme 2007/44 (III)
	60,976		665						ESOP Scheme 2007/47 (II)
	7,500		500						ESOP Scheme 2007/48 (II)
	1,30,899		710						ESOP Scheme 2015/02 (I)
	1,400		201.5						KMBL(IVBL) 2007
	5,278		252						KMBL(IVBL) 2010
	3,344		379.5						KMBL(IVBL) 2013
	7,654		416						KMBL(IVBL) 2013
November 23, 2017	22,844	5	406	Cash	ESOP Allotment	1,90,44,15,542	9,52,20,77,710	159,21,35,21,980	ESOP Scheme 2007/44 (III)
	64,260		665						ESOP Scheme 2007/47 (II)
	51,951		710						ESOP Scheme 2015/02 (I)
	4,350		222						KMBL(IVBL) 2010
	4,350		240.5						KMBL(IVBL) 2010
	13,052		252						KMBL(IVBL) 2010
	12,582		379.5						KMBL(IVBL) 2013
	8,126		416						KMBL(IVBL) 2013
December 29, 2017	80,282	5	406	Cash	ESOP Allotment	1,90,47,03,780	9,52,35,18,900	159,38,11,03,519	ESOP Scheme 2007/44 (III)
	1,07,613		665						ESOP Scheme 2007/47 (II)
	2,500		500						ESOP Scheme 2007/8 (II)

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Consideration (cash, other than cash etc.)	Nature of Allotment	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital (₹)	Equity Share Premium (₹)	
	84,542		710						ESOP Scheme 2015/02 (I)
	828		710						ESOP Scheme 2015/02 (III)
	828		710						ESOP Scheme 2015/02 (IV)
	1,186		222						KMBL(IVBL) 2010
	2,814		240.5						KMBL(IVBL) 2010
	7,030		252						KMBL(IVBL) 2010
	615		379.5						KMBL(IVBL) 2013
	30,852	5	406	Cash	ESOP Allotment	1,90,49,74,012	9,52,48,70,060	159,52,42,06,350	ESOP Scheme 2007/44 (III)
	68,657		406						ESOP Scheme 2007/44 (IV)
	1,08,974		665						ESOP Scheme 2007/47 (II)
January 15, 2018	34,197		710						ESOP Scheme 2015/02 (I)
	6,526		222						KMBL(IVBL) 2010
	16,724		252						KMBL(IVBL) 2010
	4,030		379.5						KMBL(IVBL) 2013
	272		416						KMBL(IVBL) 2013
February 7, 2018	25,473	5	406	Cash	ESOP Allotment	1,90,52,76,061	9,52,63,80,305	159,71,51,36,555	ESOP Scheme 2007/44 (IV)
	2,10,521		665						ESOP Scheme 2007/47 (II)
	54,993		710						ESOP Scheme 2015/02 (I)
	2,800		252						KMBL(IVBL) 2010
	7,750		379.5						KMBL(IVBL) 2013
	512		416						KMBL(IVBL) 2013
February 28, 2018	39,080	5	406	Cash	ESOP Allotment	1,90,54,68,072	9,52,73,40,360	159,82,41,37,523	ESOP Scheme 2007/44 (IV)
	2,000		90						ESOP Scheme 2015/01 (II)
	90,476		710						ESOP Scheme 2015/02 (I)
	21,429		550						ESOP Scheme 2015/04 (I)
	64		222						KMBL(IVBL) 2010
	2,72,86		252						KMBL(IVBL) 2010
	970		379.5						KMBL(IVBL) 2013
	10,706		416						KMBL(IVBL) 2013
	8,098	5	406	Cash	ESOP Allotment	1,90,56,48,506	9,52,82,42,530	159,94,33,63,648	ESOP Scheme 2007/44 (IV)
March 22,	1,500		690						ESOP Scheme 2015/01 (II)

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Consideration (cash, other than cash etc.)	Nature of Allotment	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital (₹)	Equity Share Premium (₹)	
2018	1,57,090		710						ESOP Scheme 2015/02 (I)
	7,520		252						KMBL(IVBL) 2010
	5,926		379.5						KMBL(IVBL) 2013
	300		416						KMBL(IVBL) 2013
April 17, 2018	12,616	5	406	Cash	ESOP Allotment	1,90,57,74,896	9,52,88,74,480	160,02,46,57,072	ESOP Scheme 2007/44 (IV)
	1,01,870		710						ESOP Scheme 2015/02 (I)
	1,242		710						ESOP Scheme 2015/02 (II)
	1,000		222						KMBL(IVBL) 2010
	3,300		252						KMBL(IVBL) 2010
	2,916		379.5						KMBL(IVBL) 2013
	3,446		416						KMBL(IVBL) 2013
May 16, 2018	14,126	5	406	Cash	ESOP Allotment	1,90,58,57,958	9,52,92,89,790	160,04,83,66,354	ESOP Scheme 2007/44 (IV)
	2,134		222						KMBL(IVBL) 2010
	60,950		252						KMBL(IVBL) 2010
	1,500		416						KMBL(IVBL) 2013
	4,352		444						KMBL(IVBL) 2013
June 6, 2018	94,802	5	406	Cash	ESOP Allotment	1,90,60,45,129	9,53,02,25,645	160,11,52,91,581	ESOP Scheme 2007/44 (IV)
	1,004		665						ESOP Scheme 2007/47 (III)
	1,767		710						ESOP Scheme 2015/02 (II)
	33,780		222						KMBL(IVBL) 2010
	15,076		252						KMBL(IVBL) 2010
	13,050		416						KMBL(IVBL) 2010
	21,856		379.5						KMBL(IVBL) 2013
	5,836		416						KMBL(IVBL) 2013
June 28, 2018	44,460	5	406	Cash	ESOP Allotment	1,90,61,31,883	9,53,06,59,415	160,15,37,33,338	ESOP Scheme 2007/44 (IV)
	21,764		300						ESOP Scheme 2007/45 (IV)
	1,004		665						ESOP Scheme 2007/47 (IV)
	1,178		710						ESOP Scheme 2015/02 (III)
	1,638		955						ESOP Scheme 2015/07 (I)
	1,638		955						ESOP Scheme 2015/07 (II)
	7,737		379.5						KMBL(IVBL) 2013
	7,335		416						KMBL(IVBL) 2013

[1] *These Equity Shares were allotted to the Shareholders on account of a bonus issue in the ratio of 1:1 undertaken pursuant to the resolutions of the Board and the Shareholders.*

[2] *The Bank allotted 62,000,000 Equity Shares pursuant to a qualified institutions placement in accordance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.*

(ii) Preference Share Capital History of the Bank

Not applicable.

(e) Details of allotments made by the Bank in the last one year for consideration other than cash

a. Details of allotment of the Equity Shares

None.

b. Details of allotment of Preference Shares

Not applicable.

(f) Details of Shareholding of the Bank as of June 30, 2018

(a) Equity Shareholding pattern of the Bank as of June 30, 2018

Sr. No.	Particulars	Total No. of Equity Shares	No. of Equity Shares in demat	Total Shareholding as % of total no of Equity Shares
1.	Promoter & Promoter Group*	57,24,65,964	57,24,65,964	30.03
2.	Mutual Funds	13,05,62,085	13,05,34,085	6.85
3.	Alternate Investment Funds	25,89,639	25,89,639	0.14
4.	Foreign Portfolio Investors	76,10,40,801	76,10,15,201	39.93
5.	Financial Institutions/ Banks	35,34,822	35,27,754	0.19
6.	Insurance Companies	3,05,23,911	3,05,23,911	1.60
7.	Individuals	18,08,99,139	17,37,51,028	9.49
8.	NBFCs registered with RBI	12,38,981	12,38,981	0.06
9.	Others	22,32,76,541	22,20,24,421	11.71
	Total	**1,90,61,31,883**	**1,89,76,70,984**	**100.00**

** No Equity Shares have been pledged by the Promoter and Promoter Group as of June 30, 2018.*

(b) Preference Shareholding pattern of the Bank as of June 30, 2018

Nil.

(c) Top ten Equity Shareholders of the Bank as of June 30, 2018

Sr. No.	Particulars	Total No. of Equity Shares	No. of Equity Shares in dematerialized form	Total Shareholding as % of total no. of Equity Shares
1.	Uday Kotak	56,69,27,100	29.74	56,69,27,100
2.	Canada Pension Plan Investment Board	11,51,63,850	6.04	11,51,63,850
3.	Europacific Growth Fund	9,41,61,246	4.94	9,41,61,246
4.	ING Mauritius Investments I	7,11,99,178	3.74	7,11,99,178
5.	Oppenheimer Developing Markets Fund	5,70,73,844	2.99	5,70,73,844
6.	SBI Mutual Fund	3,29,12,454	1.73	3,29,12,454

Sr. No.	Particulars	Total No. of Equity Shares	No. of Equity Shares in dematerialized form	Total Shareholding as % of total no. of Equity Shares
7.	Sumitomo Mitsui Banking Corporation	3,28,00,000	1.72	3,28,00,000
8.	Capital World Growth And Income Fund	2,81,50,731	1.48	2,81,50,731
9.	Caladium Investment Pte. Ltd.	2,59,66,992	1.36	2,59,66,992
10.	Caisse De Depot Et Placement Du Quebec	2,23,38,421	1.17	2,23,38,421

MANAGEMENT

(a) Details of the current Directors of the Bank

Name, Designation, Occupation	Age	Address	Date of Appointment	DIN	Other Directorships
Prakash Apte* Independent Non-Executive Chairman Consultant	64	803, Blossom Boulevard Koregoan Park Pune 411 001	March 18, 2011	0019 6106	1. Syngenta India Limited 2. Kotak Mahindra Life Insurance Company Limited 3. Fine Organic Industries Limited 4. Syngenta Foundation India 5. Indo-Swiss Centre of Excellence 6. Swiss Indian Chamber of Commerce
Uday Kotak Managing Director & CEO Service	59	62, NCPA Apts., Sir Dorabji Tata Marg, Nariman Point, Mumbai 400 021	November 21, 1985	0000 7467	1. Kotak Mahindra Asset Management Company Limited 2. Kotak Mahindra Prime Limited 3. Kotak Mahindra Capital Company Limited 4. Kotak Mahindra Investments Limited 5. Kotak Mahindra Life Insurance Company Limited 6. Kotak Securities Limited 7. Member of the International Advisory Board of GIC Private Limited, Singapore 8. Member of the International Advisory Panel of Monetary Authority of Singapore 9. Member of the Board of Governors of Indian Council for Research on International Economic Relations 10. Member of the Board of Governors of the Anglo Scottish Education Society (Cathedral & John Cannon School) 11. Governing member of the Mahindra United World College of India
Dipak Gupta Joint Managing Director	57	Tanna Residency, Flat No. 32, A-Wing, 392, Veer Savarkar Marg, Opp. Siddhivinayak Temple, Mumbai 400	October 1, 1999	0000 4771	1. Kotak Investment Advisors Limited 2. Kotak Mahindra Capital Company Limited

Name, Designation, Occupation	Age	Address	Date of Appointment	DIN	Other Directorships
Service		025			3. Kotak Mahindra Life Insurance Company Limited 4. Kotak Infrastructure Debt Fund Limited 5. Kotak Mahindra (UK) Limited 6. Kotak Mahindra Inc.
C. Jayaram Non-Executive Director Professional	62	Satguru Simran, 7th Floor, 3rd Road, Almeida Park, Bandra (West), Mumbai 400 050	Whole-time Director - October 1, 1999 Non-Executive Director – May 1, 2016	0001 2214	1. Kotak Mahindra Asset Management Company Limited 2. Allsec Technologies Limited 3. Multi Commodity Exchange of India Limited 4. Multi Commodity Exchange Clearing Corporation Limited 5. Financial Planning Standards Board India
Amit Desai Independent Non-Executive Director Lawyer	59	7, Shivthirth No.1, 6 Bhulabhai Desai Road, Mumbai 400 026	March 18, 2011	0031 0510	1. Kotak Mahindra Trustee Company Limited
Prof. S. Mahendra Dev Independent Non-Executive Director Professional	60	Directors Quarters, IGIDR Campus, Gen. A.K. Vaidya Marg, Goregaon (East), Mumbai 400 065	March 15, 2013	0651 9869	1. Kotak Mahindra Prime Limited 2. Director & Vice Chancellor, Indira Gandhi Institute of Development Research (IGIDR), Mumbai 3. Member of Board of Trustees of International Food Policy Research Institute (IFPRI), Washington D.C.
Farida Khambata Independent Non-Executive Director Professional	68	3224, R Street N.W., Washington D.C. 20007	September 7, 2014	0695 4123	1. Member on the Advisory Board of ADM CEECAT Fund and Bancroft II and III Funds 2. Dragon Capital Group Limited Vietnam 3. Cargills Foods Company Private Limited, Sri Lanka 4. Tata Sons Limited
Mark Newman Non-Executive Director Professional	52	36, Jalan Harom Setangkai, Singapore 258 821	May 5, 2015	0351 8417	1. ING Bank Australia Limited

Name, Designation, Occupation	Age	Address	Date of Appointment	DIN	Other Directorships
Uday Khanna Independent Non-Executive Director Professional	68	Centrum Towers, Flat 182, 18th Floor, Barkat Ali Road, Wadala East, Mumbai 400 037	September 16, 2016	0007 9129	1. Bata India Limited 2. Pidilite Industries Limited 3. Castrol India Limited 4. DSP Blackrock Investment Managers Private Limited 5. Pfizer Limited 6. Member of the Board of Governors of the Anglo Scottish Education Society 7. Jt. Managing Trustee of the Indian Cancer Society

**The Shareholders at the AGM held on July 19, 2018 approved the appointment of Prakash Apte as part-time Chairman of the Bank with effect from July 20, 2018 till December 31, 2020.*

As of the date of this IM, none of the Bank's Directors appear on the RBI defaulter's list and / or the ECGC default list.

(b) Details of change in Directors since last three years

Name	Designation	DIN	Date of Appointment	Date of Resignation	Remarks
C. Jayaram*	Non-executive director	00012214	May 1, 2016	N.A.	Appointed (Change in status)
Asim Ghosh	Independent non-executive director	00116139	N.A.	May 9, 2016	Retired due to completion of his eight years tenure pursuant to the provisions of Section 10A(2A)(i) of the Banking Regulation Act
N. P. Sarda	Non-executive director	03480129	N.A.	July 22, 2016	Retired having crossed the age of 70 years (maximum age limit permitted by RBI)
Uday Khanna	Independent non-executive director	00079129	September 16, 2016	N.A.	Appointed
Prof. S. Mahendra Dev	Independent non-executive director	06519869	March 15, 2018	N.A.	Re-appointed for a period of three years up to March 14, 2021
Uday Kotak	Managing Director and CEO	00007467	January 1, 2018	N.A.	Re-appointed up to December 31, 2020
Dipak Gupta	Joint managing director	00004771	January 1, 2018	N.A.	Re-appointed up to December 31, 2020
Dr. Shankar Acharya	Non-executive chairman	00033242	N.A.	July 19, 2018	Retired having crossed the age of 70 years (maximum age limit permitted by RBI)
Prakash Apte**	Independent non-executive chairman	00196106	July 20, 2018	N.A.	Appointed (Change in status)

** C. Jayaram retired as Joint Managing Director on April 30, 2016 but continued as a Non-Executive Director w.e.f. May 1, 2016.*

*** Prakash Apte, Independent Non-Executive Director, was appointed as part-time Chairman of the Bank w.e.f. July 20, 2018 till December 31, 2020.*

(c) Remuneration of directors for the current financial year and for the last three years

FY 2018-19 (April 1, 2018 to June 30, 2018)

(₹ in lakhs)

Name	Sitting fees	Commission	Others	Perquisites	Total
Dr. Shankar Acharaya	3.20	0.00	7.50	0.00	**10.70**
Uday Kotak	0.00	0.00	62.15	0.00	**62.15**
Dipak Gupta	0.00	0.00	60.37	50.85	**111.22**
C. Jayaram	1.00	10.00	0.00	0.00	**11.00**
Prakash Apte	3.00	10.00	0.00	0.00	**13.00**
Amit Desai	3.20	8.00	0.00	0.00	**11.20**
Prof. S. Mahendra Dev	3.20	10.00	0.00	0.00	**13.20**
Farida Khambata	1.00	8.00	0.00	0.00	**9.00**
Mark Newman	0.00	0.00	0.00	0.00	**0.00**
Uday Khanna	3.60	10.00	0.00	0.00	**13.60**

FY 2017-18

(₹ in lakhs)

Name	Sitting fees	Commission	Others	Perquisites	Total
Dr. Shankar Acharaya	9.00	0.00	30.00	0.00	**39.00**
Uday Kotak	0.00	0.00	292.36	0.40	**292.76**
Dipak Gupta	0.00	0.00	286.70	566.90	**853.60**
C. Jayaram[*]	8.80	10.00	0.00	0.00	**18.80**
Prakash Apte	17.4	10.00	0.00	0.00	**27.40**
Amit Desai	9.00	8.00	0.00	0.00	**17.00**
Prof. S. Mahendra Dev	16.00	10.00	0.00	0.00	**26.00**
Farida Khambata	5.40	10.00	0.00	0.00	**15.40**
Mark Newman[**]	0.00	0.00	0.00	0.00	**0.00**
Uday Khanna[#]	12.40	7.50	0.00	0.00	**19.90**
Asim Ghosh[@]	0.00	2.00	0.00	0.00	**2.00**
N. P. Sarda[^]	0.00	5.00	0.00	0.00	**5.00**

FY 2016-17

(₹ in lakhs)

Name	Sitting fees	Commission	Others	Perquisites	Total
Dr. Shankar Acharaya	6.10	0.00	30.00	0.00	**36.10**
Uday Kotak	0.00	0.00	263.28	0.40	**263.68**
Dipak Gupta	0.00	0.00	260.60	465.62	**726.22**
C. Jayaram[*]	4.90	0.00	76.42	236.42	**317.74**
Prakash Apte	13.90	6.00	0.00	0.00	**19.90**
Amit Desai	6.10	5.00	0.00	0.00	**11.10**
Prof. S. Mahendra Dev	11.50	6.00	0.00	0.00	**17.50**
Farida Khambata	3.90	6.00	0.00	0.00	**9.90**
Mark Newman[**]	0.00	0.00	0.00	0.00	**0.00**
Uday Khanna[#]	5.60	0.00	0.00	0.00	**5.60**
Asim Ghosh[@]	0.00	5.00	0.00	0.00	**5.00**
N. P. Sarda[^]	3.30	6.00	0.00	0.00	**9.30**

FY 2015-16

(₹ in lakhs)

Name	Sitting fees	Commission	Others	Perquisites	Total
Dr. Shankar Acharaya	5.80	0.00	27.00	0.00	**32.80**
Uday Kotak	0.00	0.00	247.06	0.40	**247.46**
Dipak Gupta	0.00	0.00	243.88	708.16	**952.04**
C. Jayaram[*]	0.00	0.00	245.00	213.29	**458.29**
Prakash Apte	11.50	6.00	0.00	0.00	**17.50**
Amit Desai	4.90	5.00	0.00	0.00	**9.90**
Prof. S. Mahendra Dev	10.90	6.00	0.00	0.00	**16.90**
Farida Khambata	3.30	6.00	0.00	0.00	**9.30**
Mark Newman[**]	0.00	0.00	0.00	0.00	**0.00**
Uday Khanna[#]	0.00	0.00	0.00	0.00	**0.00**
Asim Ghosh[@]	2.00	5.00	0.00	0.00	**7.00**
N. P. Sarda[^]	7.90	6.00	0.00	0.00	**13.90**

[*]*C. Jayaram retired as Joint Managing Director on April 30, 2016 but continued as a Non-Executive Director w.e.f. May 1, 2016.*
[**]*Mark Newman has waived off the sitting fees & commission payable to him.*
[#]*Uday Khanna appointed w.e.f. September 16, 2016.*
[@]*Asim Ghosh retired w.e.f. May 9, 2016.*
[^]*N. P. Sarda retired w.e.f. July 22, 2016.*

(d) Details of Key Managerial Personnel

Name	Designation
Uday Kotak	Managing Director & CEO
Dipak Gupta	Joint Managing Director
Jaimin Bhatt	President and Group Chief Financial Officer
Bina Chandarana	Company Secretary and Senior Executive Vice President

(e) Financial and material interest of Directors, Promoter and Key Managerial Personnel in the Issue

None of the Promoter, Directors and the Key Managerial Personnel or any of their relatives or any of the companies, in which the Directors or Key Managerial Personnel hold more than 2% equity shareholding, has any financial or material interest in the Issue.

(f) Contribution made by the Promoter or the Directors either as part of the Issue or separately in furtherance of the objects of the Issue

The Promoter and the Directors will not contribute to the Issue and no PNCPS 2018 will be issued and/ or allotted to them.

LEGAL PROCEEDINGS

The Bank and its Subsidiaries are, subject to various legal proceedings from time to time, mostly arising in the ordinary course of their business including criminal proceedings, civil proceedings, tax proceedings, environmental proceedings, labour, land related disputes and notices received from various regulators such as SEBI, RBI and IRDAI. The Bank believes that the number of proceedings and disputes in which the Bank and its Subsidiaries are involved is not unusual for a Bank of its size in the context of doing business in India and in international markets. These proceedings involving the Bank, its Subsidiaries, its respective directors and its employees are primarily in the nature of recovery proceedings initiated by the Bank in respect of advances made, pending before civil courts or the DRTs, as the case may be, criminal cases filed by the Bank in cases of dishonor of cheques or fraud cases, claims against the Bank in relation to erroneous or unauthorized debit from customer accounts, wrongful credit or dishonor of cheques, criminal and labour-related proceedings against the Bank where its directors have also been made a party, claims in relation to repossession of assets by the Bank, proceedings initiated under the SARFAESI Act, claims for refund of business losses and damages, consumer claims for deficiency in service, claims involving forgery of documents, alleged frauds, claim for increased rent, suits claiming compensation, damages for termination from service, claims alleging breach of regulatory and statutory provisions, directions, administrative lapses and suits for setting aside recovery proceedings initiated by the Bank and tax matters.

For the purposes of this Information Memorandum, KLI, is referred to as a Material Subsidiary. Except as disclosed below, the Bank and its Material Subsidiary are not involved in any pending legal proceedings: (i) which are quantifiable and exceed ₹62 crore (being 1% of the consolidated profit after tax for Financial Year 2018); or (ii) which the Bank believes could have a material adverse effect on the business, financial condition, profitability or results of operations of the Bank on a consolidated basis. Further, all notices involving the Material Subsidiary, which are subsisting or in respect of which fines or penalties have been paid have been disclosed. Accordingly, we have not disclosed any legal proceedings involving the Bank and its Material Subsidiary: (i) which are quantifiable and are below ₹62 crore (being 1% of the consolidated profit after tax for Financial Year 2018); or (ii) which the Bank believes does not have a material adverse effect on the business, financial condition, profitability or results of operations of the Bank on a consolidated basis. In addition, please note that we have included certain litigations involving the Bank's international Subsidiaries that we believe are material.

I. Litigation involving the Bank

Civil cases:

1. The Bank has filed a suit dated September 23, 2010 against Dena Bank Limited ("**Dena Bank**") and others seeking, *inter alia*, damages towards frivolous litigation by Dena Bank from the year 2006 to 2009 causing impediments to the Bank from enjoyment of the property, "Apple Tower" as it stood sub-judice, being part of the terms of the settlement which was challenged by Dena Bank. The Bank has sought a money decree for ₹ 443 crore towards loss of lease rentals and loss of reputation and goodwill, being sole creditors after acquisition of debentures from various banks, including Dena Bank and financial institutions by the Bank and KMPL. Subsequently, Dena Bank has filed a counter claim for ₹ 1,000 crore together with interest along with its written statement, contending that it has a bona fide claim against the disputed property and therefore, could not be held liable in respect of any loss in terms of potential rental income or alleged loss of the goodwill or reputation. The matter is at evidence stage wherein the cross-examination of Dena Bank is complete. The matter is now listed for cross-examination of Apple Finance Limited.

Notices:

1. The Bank received a notice dated April 21, 2016 from RBI for our subsidiary general ledger account holders, for not maintaining correct record of the security sold. An amount of ₹ 0.05 crore was levied as penalty on the Bank on May 12, 2016.

2. The Bank has received letters from the RBI in relation to scrutiny of certain accounts for various reasons, including, delay in reporting of credit card frauds, scrutiny of the books of accounts of the Bank, lapses in compliance with KYC requirements and complaints made by other entities and advising us to be cautious in these matters.

3. The Bank has received letters dated October 28, 2015 and November 20, 2015 and a show cause notice dated April 18, 2016 from the RBI upon inspection of the Bank's books of accounts, irregularities in advance import remittances and violation of statutory provisions and directions issued by the RBI. The Bank has replied to the said show cause notice. Upon providing us with a personal hearing, the RBI considered that the Bank had put in place effective controls and has a system to file STRs in a timely manner. The RBI, by its letter dated July 19, 2016, has advised the Bank to strengthen the controls over customer identification and monitoring process.

4. The RBI imposed a penalty of ₹ 0.001 crore on the Bank on February 8, 2017 for not complying with requirements concerning filing of returns for netted-off transactions on a gross basis in relation to Jas Forwarding Worldwide Private Limited. The RBI issued a show cause notice and issued an order dated April 13, 2017 for imposition of a penalty of ₹ 0.001 crore on the Bank in relation to non-compliance with its directions in respect of reporting.

5. The IRDA imposed a penalty of ₹ 0.001 crore on the Bank in February 2018 for payments made by Exide to eIVBL in the financial year 2013-14. These payments were in violation of clause 21 of Guidelines on Licensing of Corporate Agents (dated July 14, 2015) and Section 40 of Insurance Act, 1938 as the amounts paid had exceeded the limit of expenditure on commission stipulated under Section 40A of the Insurance Act. The payments were made prior to the merger of eIVBL with the Bank.

Details of acts of material frauds committed against the Bank in the last three years, and the action taken by the Bank:

S. No	Fraud committed by	Nature of Fraud	Action taken
1.	"X"	Diversion of Funds	Various banks including the Bank, extended facilities to "X". Subsequently, "X" failed to pay ₹ 110.44 crore owed to various lenders, including the Bank. Owing to financial difficulties and the death of the main promoter, the case was referred to the Corporate Debt and Restructuring Cell, which approved the CDR, pursuant to which a MRA was executed with the Bank. However, due to defaults in the payment of the restructured dues, the joint lender forum decided to treat the CDR as failed and to initiate recovery, including invocation of the guarantees issued, in their favour for the grant of the facilities. It was found that the promoter of "X" had unlawfully diverted funds from the facilities to purchase real estate for his personal benefit. Subsequently, the Bank has filed an application before the DRT, Mumbai for recovery of its dues. The said original application is pending as on date. We have filed an application before the NCLT under the provisions of Insolvency and Bankruptcy Code, 2016 wherein the CIRP process is underway. As period of 180 days has expired an extension has been sought by the R.P. appointed and the same has been granted by the NCLT. Currently the R.P. and CoC are examining proposals by resolution applicant. Till the process of CIRP is concluded there is a moratorium on any proceedings against X.
2.	"Y"	Non-payment of debts due in breach of security agreements for loan availed	The Bank has filed an application under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act against "Y" and others alleging non-payment of the monies due to the Bank in breach of the facility agreements and seeking inter alia, recovery of ₹ 51.82 crore. The security provided for the loan availed by "Y" had been offered as security to private lenders and receivables from this security had been diverted into other

S. No	Fraud committed by	Nature of Fraud	Action taken
			accounts and not deposited in the escrow account, thereby, breaching the loan agreements and security documents. The Bank has filed a complaint with the Additional Director General of Police, CID and Railways, Gujarat, in respect of the same. Pursuant to the orders passed by the Hon'ble DRT, one project for which security was taken by the Bank and which is now under control of Hon'ble DRT, the balance work has been completed with the money of claimants of the flat. The appointed contractor has also received occupancy certificate from civic authorities. The Bank is negotiating with the claimants of the flat, and for claimants, litigations are pending before the Hon'ble DRT and civil courts. It is expected that the Bank may be able to recover substantial amount of principal loan, as the project is now completed and claimants with whom negotiations succeed are expected to pay the balance money to the Bank.
3.	"Z"	Diversion of funds	Various other banks including the Bank, extended credit facilities to "Z" under consortium lending. The Bank had exposure of ₹ 35 crores of which as on today, "Z" failed to pay ₹ 10.07 crores. It is reportedly understood that "Z" utilized the credit facility to finance capital expenditure as well as extended support to its loss making subsidiary in the form of corporate guarantee /advances/ investments which resulted in breach of covenants. Due to these reasons, the loan account was classified under early warning signal and due to default, the loan was also classified as NPA. Joint lenders forum had initiated for special investigation audit and as observed by auditors, there are certain serious lapses committed by "Z" and its promoters/directors with regard to inventory maintained by them, while availing the financial facilities from the banks. "Z" had overstated the raw material value. It is further observed that the "Z" has utilised the borrowed funds for siphoning off assets. Bank has issued loan recall notice to "Z". The review committee of the Bank for identification of wilful defaulter and non-co-operative borrower on September 29, 2017 reviewed default proceedings against the borrower and issued an order declaring the borrower as "Willful" defaulter. Bank has filed an application in DRT and order is awaited. The recovery under SARFAESI Act is initiated.

In addition, the Bank reports on an individual basis all material frauds above ₹1 crore to RBI. There are 13 material frauds in the last three years above ₹ 1 crore committed against the Bank involving an aggregate amount of ₹ 190.28 crore. The Bank has initiated various actions against these frauds including, filing first information reports, filing reports with Serious Fraud Investigation office, filing complaints with crime branches, filing complaints with the Bureau of Economic Offences and filings matters before various judicial authorities.

II. Details of default in repayment of (i) statutory dues; (ii) debentures and interest thereon; (iii) deposits and interest thereon; (iv) loan from any bank or financial institution and interest thereon

There is no default in repayment of (i) statutory dues; (ii) debentures and interest thereon; (iii) deposits and interest thereon; (iv) loan from any bank or financial institution and interest thereon.

III. Litigation involving KLI

Civil cases:

1. The Directorate General of Central Excise Intelligence, Central Board of Excise and Customs, Department of Revenue. Mumbai, (the "**Authority**") issued a show cause cum demand notice dated November 11, 2013 (the "**SCN**") alleging evasion in payment of service tax, particularly in respect of service tax liability for expenses, such as, pre-recruitment training expenses, advertising and publicity and sales promotion expenses by KLI and KLI was directed to show cause including in relation to recovery of the service tax collected by KLI and interest and imposition of penalties. KLI, through its reply dated April 14, 2014, denied all allegations and submitted, amongst other things that, the SCN is barred by limitation. Subsequently, the Commissioner, Service Tax – VI, Mumbai, through its order dated March 19, 2015 (the "**Order**"), directed the recovery of ₹ 73.33 crore along with other sums due including interest payable and penalty levied. KLI appealed before CESTAT, Mumbai alleging that the Order is in violation of law. The matter is currently pending.

Notice:

1. IRDAI has issued a show cause notice dated January 22, 2016 to KLI alleging violation of certain provisions of the Insurance Act, 1938, IRDA (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002, IRDA (Assets, Liabilities and Solvency Margin of Insurer) Regulations, 2002, IRDA circular dated November 23, 2010, IRDA circular dated March 27, 2003, IRDA (Insurance Brokers) Regulations, 2002, Guidelines on Outsourcing of Activities by Insurance Companies dated February 1, 2011, Guidelines for Unit Linked Insurance Products dated December 21, 2005, Guidelines on Group Insurance Policies dated July 14, 2005, and IRDA (Protection of Policyholders' Interests) Regulations, 2002. After personal hearing and written submissions made by KLI in respect of 14 charges, IRDAI has issued an order dated May 6, 2016 in which: (i) a penalty of ₹ 0.05 crore was levied on KLI in respect of the charge of repudiation of claims under the group master policy on grounds of non-disclosure in the health declaration; (ii) KLI was warned in respect of five charges; and (iii) no charges were pressed in respect of eight charges. KLI has paid off the penalties levied by IRDAI.

IV. Litigation involving other Subsidiaries

1. Certain investors filed class action law suits and individual action law suits under the Securities Act, before the federal and state courts against, *inter alia*, TerraForm Global, Inc. ("**TerraForm**"), SunEdison, Inc., several individual officers and directors of TerraForm, Kotak Mahindra Inc., and other underwriters to the $ 675 million (equivalent to ₹ 4,620 crore as of June 30, 2018 initial public offering by TerraForm Global, Inc. ("**TerraForm IPO**"), alleging that the offering documents in relation to the TerraForm IPO were false and misleading because they failed to disclose problems undermining TerraForm's business and prospects such as lack of clarity regarding the financial difficulties faced by the sponsor of the TerraForm IPO, thereby causing loss to investors. An amended complaint in relation to combined class actions suits was filed before the multi-district litigation of the U.S. District Court for the Southern District of New York ("**MDL**"). These suits were subsequently stayed, to enable global mediation in the said matter. The parties subsequently did agree on settlement amounts, however the approval of the settlement is still pending before the court due to some class plaintiffs that have opted out of the class settlement. The matter is currently pending.

V. Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoter of the Bank during the last three years immediately preceding the year of the circulation of the Information Memorandum and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action

There is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoter of the Bank during the last three years immediately preceding the year of circulation of this Information Memorandum.

VI. Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act against the Bank and / or its subsidiaries and prosecutions filed (whether pending or not) fines imposed, compounding of offences by the Bank and / or its subsidiaries in the last three years

Against the Bank

1. The ROC, through its letter dated April 17, 2018, sought information regarding compliance with the provisions relating to corporate social responsibility ("**CSR**") under section 135 read with section 134(3)(o) of the Companies Act and the rules made thereunder for the financial year 2015-16 by KMBL. KMBL, by its reply dated May 11, 2018, submitted the details of its CSR. KMBL also stated that for the financial year 2015-16, it had not fully utilised the amount required for the CSR spend as the projects undertaken are long-term ongoing projects having a continuing engagement over the next few years and therefore part of the CSR budget will be incurred in the coming years.

Against the Subsidiaries

1. The office of the Registrar of Companies, Ministry of Corporate Affairs, Mumbai ("**ROC**") issued a show cause notice dated February 14, 2017 (the "**SCN**") to KSL alleging that KSL had failed to comply with sections 134 and 135 of the Companies Act, 2013 along with the rules made thereunder and the circulars issued in respect of corporate social responsibility expenditure ("**CSR Expenditure**"). The ROC, through this SCN, inquired why action should not be taken against the Directors or the officers in default of KSL for not complying with the CSR Expenditure related requirements and failure to disclose such non-compliance in the Board of Directors' Report for the Fiscal Year 2015. KSL, by its reply dated February 27, 2017 ("**Reply**"), denied any non-compliance with the provisions of the Companies Act, 2013 and the rules made thereunder regarding CSR Expenditure. KSL further stated that in its response dated June 2, 2016 to the ROC letter dated May 25, 2016, it has specified that the Board of Directors have specified that they are in the process of undertaking activities related to CSR Expenditure and are not in violation of applicable law, further specifying that ₹0.45 crore had been spent and ₹3.5 crore remained unspent.

2. The ROC, through its letter dated May 19, 2016, sought information from KMIL regarding its CSR expenditure during the financial year 2014-15, as KMIL is an eligible company qualifying under section 135(1) of the Companies Act. KMIL, by its reply dated May 31, 2016, submitted the details of its CSR expenditure made during the financial year 2014-15. No further correspondence has been made by the ROC in this regard.

3. The ROC, through its letter dated May 19, 2016, sought information from KMP regarding its CSR expenditure during the financial year 2014-15, as KMP is an eligible company qualifying under section 135(1) of the Companies Act. KMP, by its reply dated June 3, 2016, submitted the details of its CSR expenditure made during the financial year 2014-15. No further correspondence has been made by the ROC in this regard.

VII. Disclosures pertaining to Wilful Default

a. Name of the bank declaring the entity as a wilful defaulter: Nil
b. The year in which the entity is declared as a wilful defaulter: Nil
c. Outstanding amount when the entity is declared as a wilful defaulter: NIL
d. Name of the entity declared as a wilful defaulter: Nil
e. Steps taken, if any, for the removal from the list of wilful defaulters: Nil
f. Other disclosures, as deemed fit by the entity in order to enable investors to take informed decisions: Nil
g. Any other disclosure as specified by the Board: Nil

Neither the Bank nor any of the Promoter or Directors has been identified as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI or any other governmental authority.

DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by our Board of Directors and approved by our Shareholders at their discretion, subject to the provisions of the Articles of Association, the Companies Act and the Banking Regulation Act. The recommendation, declaration and payment of dividends, if any, will depend on a number of factors, including but not limited to availability of profits for distribution, overall financial conditions, capital requirements, results of operations, earnings, contractual restrictions, applicable Indian legal restrictions and other factors that may be considered relevant by our Board of Directors.
The Bank has a dividend distribution policy, key details of which are as follows:

- The Bank will maintain a balance between payment of dividend to its shareholders with retaining adequate capital for growth;

- The Bank shall declare dividend as per the prevailing regulations/guidelines issued by RBI from time to time and the provisions of the Banking Regulation Act;

- The Bank shall pay dividend (including interim dividend) in compliance with the relevant provisions of the Companies Act, 2013, the Companies (Declaration and Payment of Dividend) Rules, 2014, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and such other act, rules or regulations which provide for the distribution of dividend;

- The dividend payout ratio shall not exceed 40% and shall be as per the matrix of criteria for maximum permissible range of dividend payout ratio as specified by the Reserve Bank of India;

Matrix of Criteria for maximum permissible range of Dividend Payout Ratio

Category	**CRAR**	**Net NPA Ratio**			
		Zero	**More than 0 but less than 3%**	**From 3% to Less than 5%**	**From 5% to less than 7%**
		Range of Dividend Payout Ratio			
A	11% or more for each of the last 3 years	Up to 40	Up to 35	Up to 25	Up to 15
B	10% or more for each of the last 3 years	Up to 35	Up to 30	Up to 20	Up to 10
C	9% or more for each of the last 3 years	Up to 30	Up to 25	Up to 15	Up to 5
D	9% or more in the Current year	Up to 10		Up to 5	Nil

- The final dividend payout will be decided by the Board considering the past history and the factors enumerated in the policy. Efforts will be made to increase the amount of dividend per share over a period of time;

- The Bank may generally declare dividend once a year, after announcement of the full year results;

- The Bank shall take into account interests of all the stakeholders and the financial and non-financial factors while deciding on the proposals for declaring dividend or retention of profits;

- The reserves created by the Bank in accordance with the regulations governing the Bank will be utilized based on approval of the Board to the extent permitted by regulations;

- The Board has defined the circumstances under which no dividend or a lower payout may be declared for a given financial year; and

- The Board would review the policy annually. Further, subject to applicable laws, the Board may, from time to time amend or alter this policy or any terms and conditions thereof. This policy shall be disclosed on the Bank's website http://www.kotak.com.

The dividends declared by the Bank on the Equity Shares during the last three Fiscals have been presented below:

Particulars	**For the year ended March 31,**		
	2018	**2017**	**2016**
Number of Equity Shares at the time of declaration of dividend	190,61,31,883	1,90,35,69,160	1,83,57,63,513
Face value per share (in ₹ per share)	5	5	5
Dividend rate (in ₹ per share)	0.70	0.60	0.50
Dividend rate (%)	14	12	10
Dividend (in ₹ crore)*	133.43	114.21	91.79
Dividend distribution tax (in ₹ crore)	18.16	21.70	17.99
Total dividend, including dividend distribution tax (in ₹crore)	151.59	135.91	109.78

**Actual dividend paid*

The Bank shall pay dividends to the PNCPS 2018 Holders in accordance with the terms of this Issue and applicable law.

TERMS OF THE ISSUE

Please see below the terms and conditions are applicable to the Bank for the issuance of PNCPS 2018:

Sr.No.	Particulars	Details
1.	**Security Name**	8.10% Kotak Mahindra Bank Limited Perpetual Non-Cumulative Preference Shares 2018 ("**PNCPS 2018**")
2.	**Issuer**	Kotak Mahindra Bank Limited ("**Bank**" or "**Issuer**").
3.	**Issue size**	Up to ₹ 500 crores, as determined by board of directors of the Bank.
4.	**Option to retain oversubscription**	Not Applicable.
5.	**Type of Instrument**	Fully Paid-Up, Non-Convertible, Basel III Guidelines compliant, Perpetual Non-Cumulative Preference Shares for inclusion in Additional Tier I Capital.
6.	**Nature of Instrument**	Perpetual Non-Cumulative Preference Shares. These PNCPS 2018 will neither be secured nor covered by a guarantee of the Bank or any related entity, or other arrangement that legally or economically enhances the seniority of the claim vis-a-vis bank creditors.
7.	**Convertibility**	Non-Convertible.
8.	**Cumulative/ Non-Cumulative**	Non-Cumulative.
9.	**Interest on Application Money**	The Bank shall not be liable to pay any interest on any application monies or refunds, except as required by applicable law. In terms of Section 42(6) of the Companies Act, 2013, if the PNCPS 2018 is not allotted within 60 days from the date of receipt of the payments from the Applicants, the Bank shall repay such monies to the Applicants within 15 days from the date of completion of the aforesaid 60 days. If the Bank fails to repay the payments within the aforesaid period, it shall be liable to repay that money with interest at the rate of 12% per annum from the expiry of the sixtieth day.
10.	**Default Interest Rate**	Not Applicable.
11.	**Security**	Unsecured.
12.	**Face Value**	₹ 5 per PNCPS 2018.
13.	**Issue Price**	₹ 5 per PNCPS 2018.
14.	**Rating**	CRISIL AA+/STABLE
15.	**Eligible Investors**	The following class of investors are eligible to participate in the Issue: 1. Public Financial Institutions as defined in section 2(72) of the Companies Act, 2013 which are duly authorized to invest in PNCPS 2018; 2. Mutual Funds; 3. Insurance Companies; 4. Scheduled Commercial Banks; 5. Provident Funds, Gratuity Funds, Superannuation Funds and Pension Funds; 6. Companies and Bodies Corporate, incorporated in India, and authorized to invest in PNCPS 2018; 7. Societies authorized to invest in PNCPS 2018; 8. Trusts authorized to invest in PNCPS 2018; 9. Statutory Corporations/ Undertakings established by Central/ State Legislature authorized to invest in PNCPS 2018; 10. Non-Banking Financial Companies, 11. Resident Individual Investors; 12. Partnership firms formed under applicable laws in India in the name of the partners; and

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		13. Hindu Undivided Families through their Karta. This being a private placement issue, only the eligible investors who have been addressed through this communication directly, are eligible to apply. Prior to making any investment in these PNCPS 2018, each investor should satisfy and assure himself/herself/itself that he/she/it is authorized and eligible to invest in these PNCPS 2018 on the basis of norms/ guidelines/ parameters laid down by their respective regulatory body. The Bank shall be under no obligation to verify the eligibility/authority of the investor to invest in these PNCPS 2018. Further, mere receipt of this Information Memorandum by a person shall not be construed as any representation by the Bank that such person is authorized to invest in these PNCPS 2018 or eligible to subscribe to these PNCPS 2018. If after applying for subscription to these PNCPS 2018 and/or allotment of PNCPS 2018 to any person, such person becomes ineligible and/or is found to have been ineligible to invest in/hold these PNCPS 2018, the Bank shall not be responsible in any manner. The following class of investors are not eligible to participate in this Issue: 1. Foreign Nationals; 2. Any related party over which the Bank exercises control or significant influence (as defined under relevant Accounting Standards); 3. Persons resident outside India, including Non Resident Indians; 4. Application by persons not competent to contract under the Indian Contract Act, 1872 including minors (without the name of guardian) and insane persons, 5. Foreign Portfolio Investors; 6. Venture Capital Fund; 7. Alternative Investment Funds; 8. Overseas Corporate Bodies; 9. Person ineligible to contract under applicable statutory/ regulatory requirements; 10. Persons/entities who have been debarred from accessing the capital markets by SEBI.
16.	**Objects of the issue and utilization of the proceeds**	The PNCPS 2018 are being issued to diversify funding sources to optimize mix of liabilities by channelizing funds from alternative sources, at different price points and for varying tenures. This also helps meet the RBI requirement on shareholding. The proceeds from the issue will augment Additional Tier 1 Capital (as the term is defined in the Basel Master Circular) and overall capital of the Bank for further strengthening its capital adequacy and for enhancing its long term resources. The Bank shall utilize the proceeds of the Issue for the regular business activities.
17.	**Voting Rights and Prior RBI Approval**	The voting rights on the PNCPS 2018 shall be restricted as per Section 12(1) of the Banking Regulation Act, 1949. Also, in terms of the section 12B of the Banking Regulation Act, 1949, prior approval of the RBI is required in case any Investor acquires or agrees to acquire, directly or indirectly, by himself or acting in concert with any other person, shares of the Bank or voting rights therein, which acquisition taken together with shares

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		and voting rights, if any, held by him or his relative/ associate enterprise or person acting in concert with him, makes the Investor to hold 5% or more of the paid-up share capital of the Bank or entitles him to exercise 5% or more voting rights in the Bank.
18.	**Modification of Rights**	The rights, privileges, terms and conditions attached to the PNCPS 2018 may be varied, modified or abrogated in accordance with the provisions of the Companies Act and the Banking Regulation Act, as applicable.
19.	**Terms for raising PNCPS 2018**	It is clarified that if the RBI prescribes and/or changes, any of the additional conditions that may be applicable to PNCPS 2018, then such condition shall be deemed to apply from the date such change becomes effective, and accordingly, the terms of the issue shall be deemed to be amended.
20.	**Seniority**	1. The claims in respect of PNCPS 2018, subject to applicable law, will- (i) rank superior to the claims of holders of equity shares with respect to such equity shares; (ii) rank subordinate to the claims of all perpetual debt instruments, all capital instruments qualifying as Tier II capital instruments, and depositors and general creditors of the Bank; (iii) neither be secured nor covered by a guarantee of the Bank or its related entity or other arrangement that legally or economically enhances the seniority of the claim *vis-à-vis* creditors of the Bank; and (iv) be *pari passu* without preference with claims of holders of such subsequent PNCPS 2018 issuances by the Bank, unless the RBI specifies otherwise in its guidelines. 2. As a consequence of the subordination provisions set out above, if a winding up of the Bank should occur, the PNCPS 2018 holders may recover less than, *inter alia*, the holders of deposit liabilities or the holders of other unsubordinated liabilities of the Issuer. Notwithstanding anything to the contrary stipulated herein, the claims of the PNCPS 2018 holders shall be subject to the provisions of "*Dividend Limitation*", and "*Loss Absorbency*" as mentioned in this Term Sheet or Information Memorandum.
21.	**Priority of claims on Liquidation**	Subject to as set out in the applicable law, if the Issuer goes into liquidation before any write-down under Clause 68 (*Loss Absorption*), the PNCPS 2018 will absorb losses in accordance with Clause 20 (*Seniority*).
22.	**Interim Dividend**	Any dividend declared by the board of directors of the Bank during any financial year or at any time during the period from closure of financial year till holding of the annual general meeting shall be classified as Interim Dividend.
23.	**Listing**	The PNCPS 2018 shall be listed on the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**"). The Designated Stock Exchange for this Issue shall be BSE.
24.	**Delay in Listing**	In terms of Schedule 1 of NCRPS Regulations, the Bank shall make an application to BSE and the NSE within 15 days from the Deemed Date of Allotment to list the PNCPS 2018 and seek listing permission within 20 days from the Deemed Date of Allotment. In case of delay in listing of PNCPS 2018 beyond 20

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		days from the Deemed Date of Allotment, the Bank shall pay penal interest at the rate of 1.00% p.a. over the Dividend Rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of the PNCPS 2018 to the investors. Such penal interest shall be paid by the Bank to the PNCPS 2018 holders within 30 days from the date of listing of the PNCPS 2018.
25.	**Tenor**	The PNCPS 2018 will be perpetual i.e. there is no maturity date
26.	**Mode of Issue**	Private Placement.
27.	**Dividend rate**	8.10% per annum.
28.	**Dividend reset**	Not Applicable.
29.	**Dividend Rate Type**	Fixed. Payment of dividend on the PNCPS 2018 will be made to those of the PNCPS 2018 holders whose name(s) appear in the Register of PNCPS 2018 holder(s) (or to the first holder in case of joint holders) as on the Record Date as per the list provided by NSDL/CDSL to the Bank of the beneficiaries who hold PNCPS 2018 in demat form on such Record Date, and are eligible to receive dividend. Payment will be made by the Bank by way of direct credit, RTGS or NEFT or other online payment mechanism as are permitted by RBI to those PNCPS 2018 holders whose names appear on the list of beneficiaries maintained by the Registrar and Transfer Agent and where such facilities are not available the Bank shall make payment of all such amounts by way of cheque(s)/demand draft(s)/dividend warrant(s), which will be dispatched to the PNCPS' 2018 holder(s) by registered post/ speed post/courier or hand delivery at the sole risk of the PNCPS 2018 holder. Payments will be made by the Bank to those bank accounts, details of which are mentioned in the demat account of the applicant or PNCPS 2018 holder in due course. The payment would be adjusted for any withholding tax requirement as may be required by applicable tax laws.
30.	**Computation of Dividend**	Dividend for each of the dividend periods, shall be computed on the face value of the PNCPS 2018 at the rate specified in the Information Memorandum.
31.	**Dividend Payment Frequency**	Subject to applicable law and further subject to Clause 44 (*Dividend Limitation*) and Clause 68 (*Loss Absorption*), Dividend Payment Due Date shall be as follows: 1. First Dividend Payment Due Date shall be March 31, 2019 and shall cover the period starting from the Deeemed Date of Allotment till March 31, 2019 ("**Current Financial Year**"); 2. After the expiry of the Current Financial Year, the dividend (if applicable) shall be payable on an annual basis for the period from April 1 of the respective year till March 31 of the subsequent year. In such cases, Dividend Payment Due Date shall be March 31 of the respective period; and 3. In case of exercise of Call Option, the dividend (if applicable) shall be payable for the period from the last Dividend Payment Due Date till the date of making payment on redemption of PNCPS 2018 pursuant to the Call Option. In such case, Dividend Payment Due Date shall be the date of redemption of PNCPS 2018 pursuant to the Call Option. The dividend shall be payable on non-cumulative basis and wherever applicable, on pro-rata basis.
32.	**Dividend Payment Dates**	Respective Dividend Payment Due Date. In the event the respective Dividend Payment Due Date falls on a day which is not a Business Day, the preceding Business Day will be

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		considered as Dividend Payment Due Date.
33.	**Redemption Date**	Not applicable. The PNCPS 2018 shall be perpetual i.e. there is no maturity date and there are no step-ups or other incentives to redeem.
34.	**Redemption Amount**	Not Applicable. However in case of redemption due to exercise of call option in accordance with Clause 49 (*Call Option*), the PNCPS 2018 shall be redeemed at par, subject to terms specified therein.
35.	**Redemption Premium/ Discount**	Not Applicable, issued at par.
36.	**Mode of redemption**	Out of profit or out of fresh issue of capital or both
37.	**Mode of Transfer and Transmission of PNCPS 2018**	The Bank proposes to list PNCPS 2018 on BSE and NSE. Investors may transfer PNCPS 2018 using trading platforms offered by the Stock Exchanges as per applicable law. The PNCPS 2018 issued under the Information Memorandum shall be transferable freely to all classes of Investors. The PNCPS 2018 shall be transferred and/or transmitted in accordance with the applicable provisions of the Companies Act. The provisions relating to transfer and transmission and other related matters in respect of shares of the Bank contained in the Articles of the Bank and the Companies Act shall apply, *mutatis mutandis* (to the extent applicable to PNCPS 2018) to the PNCPS 2018 as well. The PNCPS 2018 held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL/DP of the transferor/transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the record date. In the absence of the same, dividend will be paid/redemption will be made to the person, whose name appears in the Register of PNCPS 2018 holders/records of the Depository as on the record date. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Bank.
38.	**Succession**	Where PNCPS 2018 are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the holder(s) of the said PNCPS 2018. It would be sufficient for the Bank to delete the name of the deceased PNCPS 2018 holder after obtaining satisfactory evidence of his death. ***Demise of sole/first holder of PNCPS 2018*** In the event of demise of the sole/first holder of the PNCPS 2018, the Bank will recognize the Executors or Administrator of the deceased PNCPS 2018 holder, or the holder of the succession certificate or other legal representative as having title to the PNCPS 2018 only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate Court in India. The Directors of the Bank in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation. ***Winding-up of the holder of PNCPS 2018*** In the event of winding-up of the PNCPS 2018 holder, the Bank

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		will recognize the executor or administrator of the concerned PNCPS 2018 holder(s), or the other legal representative as having title to the PNCPS 2018. The Bank shall not be bound to recognize such executor or administrator or other legal representative as having title to the PNCPS 2018, unless such executor or administrator obtains probate or letter of administration or other legal representation, as the case may be, from a court in India having jurisdiction over the matter. The Bank may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or other legal representation, in order to recognize such holder as being entitled to the PNCPS 2018 standing in the name of the concerned holder of PNCPS 2018 on production of sufficient documentary proof and/or an indemnity.
39.	**Discount at which security is issued and effective yield as a result of such discount**	Not Applicable.
40.	**Day Count**	All dividend, penal interest, delay/ default interest shall be computed on an "actual/actual basis". It is clarified that when such payment date of PNCPS 2018 falls on a Sunday or a holiday, then the payment shall be made on the preceding working day.
41.	**Incorporation of Terms**	Annex 3 and Annex 16 of the Basel III Guidelines shall be deemed to be incorporated herein by reference.
42.	**Record Date**	To be decided by the Board of the Issuer and in any case, shall be atleast 7 (seven) calendar days prior to each Dividend Payment Due Date/ date of the payment to be made pursuant to the Call Option (as the case may be).
43.	**Business Days/ Working Days**	Business Days/ Working Days shall be all days on which commercial banks are open for business in the city of Mumbai.
44.	**Dividend Limitation**	1. The Issuer may elect at its full discretion to cancel (in whole or in part) dividend scheduled to be paid on Dividend Payment Date. 2. Further, the dividend will be paid out of distributable items. In this context, dividend will be paid out of respective current year's profits. 3. Cancellation of any discretionary payments shall not be an event of default. 4. The Issuer shall have full access to any cancelled payments to meet obligations as they fall due. 5. The dividend shall be non-cumulative. If dividend is not paid or paid at a rate lesser than the Dividend Rate, the unpaid dividend will not be paid in future years, and shall be subject to any other conditions that may be prescribed by the applicable law.
45.	**Dividend Stopper**	In the event that the shareholders are not paid dividend at the Dividend Rate, there shall be no payment of discretionary dividend on equity shares until the dividend payments to the PNCPS 2018 shareholders are made in accordance with terms hereof. Provided that the terms shall in no manner operate to: (i) restrict the ability of the Issuer to make payments on other instruments that are non-discretionary in nature; (ii) restrict the payment of discretionary dividend to shareholders for a period that extends beyond the date when the payment of the requisite dividend on Additional Tier 1 instrument is resumed; (iii) impede the normal operation of the Issuer including actions in connection with employee stock option plans, or any

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		restructuring activity (including acquisitions/ disposal). Provided further that such restriction shall in no way restrict the Issuer's right to cancel distributions/ payments on the PNCPS 2018 or hinder in any manner whatsoever the re-capitalization of the Bank.
46.	**Put Option Date**	Not Applicable.
47.	**Put Option Price**	Not Applicable.
48.	**Put Notification Time**	Not Applicable.
49.	**Call Option**	
(i)	**Issuer Call**	The Issuer may at its sole discretion, subject to the prior written approval of the RBI and Clause 51 (*Conditions for Call and Repurchase*) for exercise of such call option (with a notification to the holders of the PNCPS 2018 which shall specify the date fixed for exercise of call option), exercise a call option on the PNCPS 2018 ("**Issuer Call**"). The Issuer Call may be exercised at the option of the Issuer no earlier than on the fifth anniversary of the Deemed Date of Allotment.
(ii)	**Tax Call**	Not Applicable
(iii)	**Regulatory Call or Variation**	If a Regulatory Event (as described below) has occurred and is continuing, the Issuer may at its sole discretion, subject to Clause 51 (*Conditions for Call and Repurchase*) for exercise of such call option (with a notification to the holders of the PNCPS which shall specify the date fixed for exercise of call option), exercise a call option on the outstanding PNCPS ("**Regulatory Call**"). The exercise of the Regulatory Call can be made at anytime by the Issuer, subject to requirements set out in the Basel III Guidelines. RBI may permit the Issuer to exercise the Regulatory Call only if the RBI is convinced that the Issuer was not in a position to anticipate the Regulatory Event at the time of issuance of the PNCPS. A Regulatory Event is deemed to have occurred if there is a downgrade of the PNCPS in regulatory classification i.e. the PNCPS are excluded from the consolidated Tier I Capital of the Issuer.
(iv)	**Call Notification Time**	Any redemption of PNCPS on account of exercise of Call Option shall be subject to the Issuer giving not less than 10 calendar days prior notice to the PNCPS holders.
(v)	**Call Option Price**	At Face Value i.e. ₹ 5 per PNCPS. Payment of Call Option Price (in case of exercise of Call Option) on the PNCPS(s) will be made to those of the PNCPS holders whose name(s) appear in the Register of PNCPS holder(s) (or to the first holder in case of joint holders) as per the list provided by NSDL/CDSL to the Bank of the beneficiaries who hold PNCPS in demat form on the Record Date, and are eligible to receive Call Option Price. The payment would be adjusted for any withholding tax requirement as may be required by applicable tax laws. The Bank's liability to the holder of PNCPS towards all their rights including for payment or otherwise shall cease and stand extinguished from the date of exercise of Call Option in all events. Further the Bank will not be liable to pay any interest or compensation from the date of exercise of Call Option. On the Bank crediting the beneficiary's account by relevant amount as

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		specified above in respect of the PNCPS, the liability of the Bank shall stand extinguished.
(vi)	**Call Option Date**	Date of exercise of Call Option
50.	**Repurchase/ Redemption/ Buy-back**	The outstanding Principal of the PNCPS (e.g. through repurchase, redemption or buyback) can be repaid subject to the prior approval of RBI. The Bank shall repurchase/ Buy-Back / Redeem these PNCPS only if: (i) The PNCPS are replaced with capital of the same or better quality and the replacement of this capital is done at conditions which are sustainable for the income capacity of the Bank; or (ii) The Bank demonstrates that its capital position is well above the minimum capital requirements after the repurchase/buy-back/redemption. Such PNCPS may be held, reissued, resold, extinguished or surrendered, at the option of the issuer. (These repurchases / buy-back /redemption of the principal are in a situation other than in the event of exercise of call option by the bank. One of the major differences is that in the case of the former, the option to offer the instrument for repayment on announcement of the decision to repurchase / buy-back /redeem the instrument, would lie with the investors whereas, in case of the latter, it lies with the Bank).
51.	**Conditions for Call and Repurchase**	The Issuer shall not exercise a call option or redeem, buy-back, repurchase, substitute or vary any of the PNCPS unless: (i) in the case of exercise of call option or repurchase, buy-back or redemption, either (A) The PNCPS are replaced with the same or better quality capital (in the opinion of the RBI), at conditions sustainable for the income capacity of the Issuer, (B) the Issuer has demonstrated to the satisfaction of the RBI that its capital position is well above (in the opinion of RBI) the minimum capital requirements (after such call option is exercised or after redemption repurchase or buy-back, as the case may be); and (ii) the prior written approval of RBI has been obtained. Potential Investors may note that approvals to be obtained from RBI to exercise Call Options are not routine and are subject to the discretion of RBI. Further, RBI shall, before providing such approvals, thoroughly consider the financial and capital position of the Bank or any other criteria or basis it deems fit.
52.	**Depository**	Central Depository Services Limited and National Securities Depository Limited.
53.	**Issuance**	In dematerialized form only.
54.	**Transfer/ Trading**	In dematerialized form only.
55.	**Prohibition on Purchase/ Funding of Instruments**	Neither the Issuer nor any related party over which the Issuer exercises control or significant influence (as defined under relevant Accounting Standards) may purchase the PCNPS, nor shall the Issuer directly or indirectly fund the purchase of the instrument. Further, the Issuer shall not grant advances against the security of PNCPS issued by them.
56.	**Issue Schedule** **1. Issue Opening Date**	 August 1, 2018

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	2. Issue Closing Date	August 3, 2018* **The Bank retains the option of closing the Issue prior to August 3, 2018, based on the subscription levels, as may be decided by the Board or committee of directors of the Bank.*
57.	**Pay-In-Date**	Any date between the Issue Opening Date and Issue Closing Date
58.	**Deemed date of Allotment**	August 3, 2018* **The Bank retains the option of closing the Issue prior to August 3, 2018, based on the subscription levels, as may be decided by the Board or committee of directors of the Bank. In case of early closure of the Issue, the above expected Deemed Date of Allotment shall stand changed to revised Issue Closing Date*
59.	**Minimum Application**	2,00,00,000 (Two Crores) PNCPS of ₹ 5 each and in multiples of 20,00,000 (Twenty lakhs) thereafter.
60.	**Maximum Application**	10,00,00,000 (Ten Crores) PNCPS of ₹ 5 each cumulatively for each set of Group Applicants
61.	**Group Applicants**	Group Applicants shall include the applicant, who is making the application to subscribe to these PNCPS, and his relative or associated enterprise or person acting in concert with him. For this purpose, (i) relative shall have the meaning assigned to it in the Companies Act, 2013. (ii) "associate enterprise" means a company, whether incorporated or not, which,-- a. is a holding company or a subsidiary company of the applicant; or b. is a joint venture of the applicant; or c. controls the composition of the Board of Directors or other body governing the applicant; or d. exercises, in the opinion of the Reserve Bank, significant influence on the applicant in taking financial or policy decisions; or e. is able to obtain economic benefits from the activities of the applicant. persons shall be deemed to be "acting in concert" who, for a common objective or purpose of acquisition of shares or voting rights, pursuant to an agreement or understanding (formal or informal), directly or indirectly cooperate by acquiring or agreeing to acquire shares or voting rights.
62.	**Settlement**	Payment of dividend and Call Option Price (in case of exercise of Call Option) shall be made by way of credit through direct credit/ NECS/RTGS/NEFT mechanism, in the name of the sole/ first beneficial owner of the PNCPS as given by the Depository to the Bank as on the Record Date.
63.	**Transaction Documents**	The Issuer has executed/ shall execute the documents, including but not limited to the following in connection, with the Issue: (i) Rating letter from credit rating agency; (ii) In-principle approval from BSE and NSE, dated July 31, 2018 and July 30, 2018, respectively, for listing of PNCPS; (iii) Listing Agreement with NSE and BSE; and (iv) This Information Memorandum and the Application Form.
64.	**Conditions Precedent to Disbursement**	Nil
65.	**Condition Subsequent to Disbursement**	The Bank shall ensure that the following documents are executed/ activities are completed as per terms of this Information Memorandum: (i) Credit of Demat Account(s) of the Allottee(s) by number of

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		PNCPS allotted within 5 (five) Business Days from the Deemed Date of Allotment; (ii) Making application to BSE and NSE within 15 (Fifteen) days from the Deemed Date of Allotment to list the PNCPS and seek listing permission within 20 (Twenty) days from the Deemed Date of Allotment.
66.	**Events of Default**	Not Applicable. It is further clarified that cancellation of discretionary payments/dividends shall not be deemed to be an event of default. The PNCPS holders shall have no rights to accelerate the repayment of future scheduled payments (dividend) except in bankruptcy and liquidation.
67.	**Cross Default**	Not Applicable.
68.	**Loss Absorption**	
		PNCPS are subject to principal loss absorption through a write-down mechanism which allocates losses to the instrument at a pre-specified trigger point. The write-down will have the following effects- (i) Reduce the claim of the PNCPS in case of a liquidation; (ii) Reduce the redemption amount when a call over the PNCPS is exercised by the Issuer; and (iii) Partially or fully reduce the dividend payments on the PNCPS. Accordingly, PNCPS shall have features of temporary or permanent write-down mechanism. When a paid-up instrument is fully and permanently written-down, it ceases to exist resulting in extinguishment of a liability of a bank (a non-common equity instrument) and created CET1. A temporary written-down is different from a permanent write-down i.e. the original instrument may not be fully extinguished. Generally, the par value of the instrument is written-down (decrease) on the occurrence of the trigger event and which may be written-up (increase) back to its original value in future depending upon the conditions prescribed in the terms and conditions of the instrument. The amount shown on the balance sheet subsequent to temporary write-down may depend on the precise features of the instrument and the prevailing accounting standards.
69.	**Loss Absorption at the Point of Non-Viability**	1. PNCPS, at the option of the RBI, can be permanently written off upon occurrence of the trigger event, called the Point of Non-Viability Trigger ("**PONV Trigger**"). If a PONV Trigger (as described below) occurs, the Issuer shall: (i) notify the holders of the PNCPS; (ii) cancel any dividend which is accrued and unpaid on the PNCPS as on the write-down date; and (iii) without the need for the consent of holders, write down the outstanding principal of the PNCPS by such amount as may be prescribed by RBI and subject to, as otherwise required by the RBI at the relevant time. 2. Following writing-off of PNCPS and claims and demands as noted above neither the Bank, nor any other person on the Bank's behalf shall be required to compensate or provide any relief, whether absolutely or contingently, to the holder or any other person claiming for or on behalf of or through such holder and all claims and demands of such persons, whether under law, contract or equity, shall stand permanently and

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		irrevocably extinguished and terminated. 3. Unless specifically permitted by applicable law, once the face value of the PNCPS has been written down pursuant to PONV Trigger Event, the PONV Write-Down Amount will not be restored in any circumstances; including where the PONV Trigger Event ceased to continue. 4. The write-off of any CET 1 capital shall not be required before the write-off of any of PNCPS and there is no right available to the holder hereof or any other person claiming for or on behalf of or through such holder to demand or seek that any other regulatory capital be subject to prior or simultaneous write-off or that the treatment offered to holders of such other regulatory capital be also offered to the holders.
70.	**Point of Non-Viability ("PONV")**	1. PONV Trigger Event is the earlier of: (i) decision that a permanent write-off without which the Bank would become non-viable, is necessary as determined by the RBI; and (ii) the decision to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable, as determined by the relevant authority. 2. The PONV Trigger Event will be evaluated both at consolidated and standalone level and breach at either level will trigger write-off**.** 3. The amount of non-equity capital to be written-off will be determined by RBI. 4. The order of write-off of PNCPS shall be as specified in the order of Seniority as per this Offer Letter and any other regulatory norms as may be stipulated by the RBI from time to time. 5. PNCPS can be written-down multiple times in case the Bank hits the PONV Trigger Level subsequent to the first write-down. PNCPS which have been written down shall not be written up. 6. The write-off consequent upon the PONV Trigger Event shall occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted. The holders shall not have any residual claims on the Bank (including any claims which are senior to ordinary shares of the Bank), following the PONV Trigger Event and when write-off is undertaken. 7. For these purposes, the Bank may be considered as non-viable if: The Bank which, owing to its financial and other difficulties, may no longer remain a going concern on its own in the opinion of the RBI unless appropriate measures are taken to revive its operations and thus, enable it to continue as a going concern. The difficulties faced by the Bank should be such

Sr.No.	Particulars	Details
		that these are likely to result in financial losses and raising the CET 1 capital of the Bank should be considered as the most appropriate way to prevent the Bank from turning non-viable. Such measures would include write-off of non-equity regulatory capital in combination with or without other measures as considered appropriate by the RBI. 8. The Bank facing financial difficulties and approaching a PONV will be deemed to achieve viability if within a reasonable time in the opinion of RBI, it will be able to come out of the present difficulties if appropriate measures are taken to revive it. The measures including augmentation of equity capital through write off of PNCPS/public sector injection of funds are likely to: (i) Restore depositors'/investors' confidence; (ii) Improve rating /creditworthiness of the Bank and thereby improve its borrowing capacity and liquidity and reduce cost of funds; and (iii) Augment the resource base to fund balance sheet growth in the case of fresh injection of funds. 9. RBI would follow a two- stage approach to determine the non-viability of the Bank. The Stage 1 assessment would consist of purely objective and quantifiable criteria to indicate that there is a prima facie case of the Bank approaching non-viability and, therefore, a closer examination of the Issuer's financial situation is warranted. The Stage 2 assessment would consist of supplementary subjective criteria which, in conjunction with the Stage 1 information, would help in determining whether the Bank is about to become non-viable. These criteria would be evaluated together and not in isolation. Once the PONV is confirmed, the next step would be to decide whether rescue of the Bank would be through write-off alone or write-off in conjunction with a public sector injection of funds.
71.	**Permanent Principal Write-down on PONV Trigger Event**	1. If a PONV Trigger Event (as described below) occurs, the Issuer shall: (i) notify the holders of the PNCPS; (ii) cancel any dividend which is accrued and unpaid on the PNCPS as on the write-down date; and (iii) without the need for the consent of the holders of PNCPS, write down the outstanding principal of the PNCPS by such amount as may be prescribed by RBI ("**PONV Write Down Amount**") and subject as it is otherwise required by the RBI at the relevant time. The Issuer will effect a write-down within 30 days (or such other time as may be prescribed by applicable law) of the PONV Write-Down Amount being determined by RBI. 2. A Permanent Principal Write-down on PONV Trigger Event may occur on more than one occasion. 3. Unless specifically permitted by applicable law, once the face value of the PNCPS has been written down pursuant to PONV Trigger Event, the PONV Write-Down Amount will not be restored in any circumstances; including where the PONV Trigger Event ceased to continue.

Sr.No.	Particulars	Details
		PONV Trigger Event, in respect of the Issuer or its group, means the earlier to occur of: 1. a decision that a conversion or principal write-down, without which the Issuer or its group (as the case may be) would become non-viable, is necessary, as determined by RBI; and 2. the decision to make a public sector injection of capital, or equivalent support, without which the Issuer or its group (as the case may be) would become non-viable, is necessary, as determined by RBI. A write-down due to a PONV Trigger Event shall occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted.
72.	**Temporary principal Write-down on Common Equity Tier 1 ("CET1") Trigger Event Temporary Write down**	If a CET1 Trigger Event (as described below) occurs, the Issuer shall: (i) notify the holders of the PNCPS; (ii) cancel any dividend which is accrued and unpaid on the PNCPS as on the write-down date; and (iii) without the need for the consent of the holders of PNCPS, write down the face value of the PNCPS by such amount as the Issuer may in its absolute discretion decide. Provided that in no event shall such amount of write down be less than the amount required to immediately return the Issuer's Common Equity Tier1 Ratio (as defined below) to above CET1 Trigger Event Threshold (as defined below), nor shall such amount of write down exceed the amount which would be required to be written down to ensure that the Common Equity Tier1 Ratio is equal to the aggregate of the CET1 Trigger Event Threshold and 2.5%, or such other percentage as may be prescribed by the RBI (the "**CET1 Write Down Amount**"). A Write-down may occur on more than one occasion. Once the value of PNCPS has been written down pursuant to this Clause 72 (*Temporary Write Down*), the value of the PNCPS may only be restored in accordance with Clause 74 (*Re-instatement*). CET1 Trigger Event Threshold means that the Issuer's or its group Common Equity Tier 1 Ratio is: (i) if calculated at any time prior to March 31, 2019, at or below 5.500% (or such other percentage as may be prescribed by the RBI); (ii) if calculated at any time from and including March 31, 2019 at or below 6.125% or such other percentage as may be prescribed by the RBI). Common Equity Tier1 Ratio means the Common Equity Tier1 Capital (as defined and calculated in accordance with the Basel III Guidelines) of the Issuer or its group (as the case may be) expressed as a percentage of the total risk weighted assets (as defined and calculated in accordance with the Basel III Guidelines) of the Issuer or its group (as applicable). The purpose of a write-down on occurrence of the CET1 Trigger Event shall be to shore up the capital level of the bank. If the bank or its group breaches the CET1 Trigger Event Threshold and equity is replenished through write-down of the PNCPS, such

Sr.No.	Particulars	Details
		replenished amount of equity will be excluded from the total equity of the Issuer for the purpose of determining the proportion of earnings to be paid out as dividend in terms of rules laid down for maintaining the capital conservation buffer (as described in the Basel III Guidelines). However, once the Issuer or its group (as the case may be) has attained a total Common Equity Tier 1 Ratio of 8% or such percentage threshold as may be prescribed by RBI without counting the replenished equity capital, from that point onwards, the Issuer may include the replenished equity capital for all purposes.
73.	**Other Events**	***Treatment of PNCPS in the event of Winding-Up:*** 1. If the Issuer goes into liquidation before PNCPS have been written down, PNCPS will absorb losses in accordance with the order of Seniority as specified in the Offer Letter and as per usual legal provisions governing distribution in a winding up. 2. If Issuer goes into liquidation after PNCPS have been written-down, the holders will have no claim on the proceeds of liquidation. ***Amalgamation of a banking company: (Section 44 A of BR Act, 1949)*** Subject to the provisions of the Banking Regulation Act, 1949: 1. If the Issuer is amalgamated with any other bank before PNCPS have been written-down, PNCPS will become part of the corresponding categories of regulatory capital of the new bank emerging after the merger. 2. If the Issuer is amalgamated with any other bank after PNCPS have been written-down temporarily, the amalgamated entity can write-up PNCPS as per its discretion. 3. If the Issuer is amalgamated with any other bank after PNCPS have been written-down permanently, these PNCPS cannot be written up by the amalgamated entity. ***Scheme of reconstitution or amalgamation of a banking company:*** If the relevant authorities decide to reconstitute the Issuer or amalgamate the Issuer with any other bank under Section 45 of Banking Regulation Act, 1949, the Issuer will be deemed as non-viable or approaching non-viability and both the pre-specified trigger and the trigger at the point of non-viability for write-down of AT1 instruments will be activated. Accordingly, PNCPS will be written-down permanently before amalgamation / reconstitution.
74.	**Re-instatement**	Following a write-down pursuant to Clause 72 (*Temporary Write Down*), the value of the PNCPS may be increased in accordance with the Basel III Guidelines or any other conditions prescribed by applicable law.
75.	**Re-capitalization**	Nothing contained in this term-sheet or in any transaction documents shall hinder re-capitalization by the Issuer.
76.	**Treatment in Insolvency**	Subject to applicable law, this instrument shall not contribute to the liabilities exceeding assets if such a balance sheet test forms part of a requirement to prove insolvency under any law or otherwise.

Sr.No.	Particulars	Details
77.	**Register of PNCPS Holders**	PNCPS Register means the register of PNCPS holders maintained by the Registrar and Transfer Agent and/or the Bank.
78.	**Future Capital Raisings and Borrowings**	The Bank shall be at liberty from time to time during the continuance of the security and/or the credit enhancement to issue at such future dates and in such denomination as it considers advisable, and/or to raise further capital, loans, advances and/or avail further financial and/or guarantee facilities from financial institutions, banks and/or any other person(s) or entities in any other form, in any manner with ranking as pari passu basis or otherwise and to change its capital structure, without any approval/ consent from or intimation to the PNCPS holders.
79.	**Effect of holidays**	In the event any of the dates defined in the Information Memorandum, excepting the Deemed Date of Allotment, fall on a Saturday, Sunday or a Public Holiday in Mumbai, the preceding working day shall be considered as the effective date.
80.	**Notices**	All notices to the PNCPS holder(s) required to be given by the Bank shall be published in one English and one regional language daily newspaper in Mumbai and/ or, will be sent bypost/courier/hand delivery or by email(s) to the sole/ first allottee or sole/ first Beneficial Owner of PNCPS, as the case may be, from time to time. All notice(s) to be given by the holder(s) shall be sent by registered post/speed post/courier/hand delivery or through email to the Bank or to such persons at such address as may be notified by the Bank from time to time through suitable communication. All notices to the PNCPS holder(s) required to be given by the Bank shall have and shall be deemed to have been given if sent by ordinary post or by e-mail to the original sole/first allottees of the PNCPS(s) or if notification and mandate has been received by the Bank, pursuant to the provisions contained herein above, to the sole/first transferees. All notices to be given by the PNCPS holder(s), including notices referred to under "Payment of Dividend" shall be sent by Registered Post/Courier or by e-mail(s) or by hand delivery to the Bank or to such persons at such address as may be notified by the Bank from time to time.

Other General Terms

1.	**Governing Law and Jurisdiction**	The PNCPS are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of the courts of Mumbai, Maharashtra.
2.	**Applicable Law or applicable law**	The present Issue of PNCPS is being made in pursuance of the Basel III Guidelines (as amended from time to time). In case of any discrepancy or inconsistency between the terms of the PNCPS or any other Transaction Document, and the Basel III Guidelines, the provisions of Basel III Guidelines shall prevail.

ISSUE PROCESS AND OTHER TERMS OF THE ISSUE

Who Can Apply

Only the persons who are specifically addressed through a communication by or on behalf of the Bank directly by way of a serially numbered IM accompanied with the Application Form are eligible to apply for the PNCPS 2018. An application made by any other person will be deemed as an invalid application and rejected. In order to subscribe to the PNCPS 2018 a person must be either a:

(a) Public Financial Institution as defined in section 2(72) of the Companies Act, 2013 which is duly authorized to invest in PNCPS 2018,
(b) Mutual Fund,
(c) Insurance Company,
(d) Scheduled Commercial Bank,
(e) Provident Fund, Gratuity Fund, Superannuation Fund and Pension Fund,
(f) Companies and Body Corporate, incorporated in India, and authorized to invest in PNCPS 2018,
(g) Society authorized to invest in PNCPS 2018,
(h) Trust authorized to invest in PNCPS 2018,
(i) Statutory Corporation/ Undertakings established by Central/ State Legislature authorized to invest in PNCPS 2018,
(j) Non-Banking Financial Company,
(k) Resident Individual Investor,
(l) Partnership firm formed under applicable laws in India in the name of the partners, and
(m) Hindu Undivided Family through its Karta.

THE PNCPS 2018 CAN BE APPLIED FOR ONLY IN DEMATERIALISED FORMAT.

Applications under Power of Attorney/ Relevant Authority

In case of an application made under a Power of Attorney or resolution or authority, a certified true copy thereof along with Memorandum of Association and Articles and/or Bye-laws must be attached to the Application Form at the time of making the application, failing which, the Bank reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorised signatories must also be lodged along with the submission of the completed application. Further modifications/ additions in the Power of Attorney or authority should be notified to the Bank at its registered office.

Who cannot apply:

(a) Foreign Nationals,
(b) Any related party over which the Bank exercises control or significant influence (as defined under relevant Accounting Standards),
(c) Persons resident outside India, including Non Resident Indians,
(d) Application by persons not competent to contract under the Indian Contract Act, 1872 including minors (without the name of guardian) and insane persons,
(e) Foreign Portfolio Investors,
(f) Venture Capital Funds,
(g) Alternative Investment Funds,
(h) Overseas Corporate Bodies,
(i) Person ineligible to contract under applicable statutory/ regulatory requirements, and
(j) Persons/entities who have been debarred from accessing the capital markets by SEBI.

DISCLAIMER:

PLEASE NOTE THAT ONLY THOSE PERSONS TO WHOM THIS IM HAS BEEN SPECIFICALLY ADDRESSED ARE ELIGIBLE TO APPLY. AN APPLICATION MADE BY ANY OTHER PERSON MAY BE DEEMED AS AN INVALID APPLICATION AND LIABLE TO BE REJECTED. HOWEVER, AN APPLICATION, EVEN IF COMPLETE IN ALL RESPECTS, IS LIABLE TO BE REJECTED WITHOUT ASSIGNING ANY REASON FOR THE SAME. INVESTMENT BY INVESTORS FALLING IN THE CATEGORIES MENTIONED ABOVE ARE MERELY INDICATIVE AND THE BANK DOES NOT

WARRANT THAT THEY ARE PERMITTED TO INVEST AS PER EXTANT LAWS, REGULATIONS, ETC. EACH OF THE ABOVE CATEGORIES OF INVESTORS IS REQUIRED TO CHECK AND COMPLY WITH EXTANT RULES/ REGULATIONS/ GUIDELINES, ETC. GOVERNING OR REGULATING THEIR INVESTMENTS AS APPLICABLE TO THEM AND THE BANK IS NOT, IN ANY WAY, DIRECTLY OR INDIRECTLY, RESPONSIBLE FOR ANY STATUTORY OR REGULATORY BREACHES BY ANY INVESTOR, NEITHER IS THE BANK REQUIRED TO CHECK OR CONFIRM THE SAME.

PLEASE NOTE THAT BY SIGNING THE APPLICATION FORM THE INVESTOR ACKNOWLEDGES THAT THE INVESTOR IS DULY AUTHORISED, WHETHER UNDER APPLICABLE LAW, OR UNDER THE INVESTOR'S CONSTITUTION DOCUMENTS OR OTHERWISE TO SUBSCRIBE TO THE ISSUE AND THE PERSON SIGNING THE APPLICATION FORM IS A DULY AUTHORISED SIGNATORY IN THIS REGARD.

Rejection of Applications

Application is liable to be rejected at the sole discretion of the Bank, in part or in full, on one or more technical grounds, including but not restricted to:

- Applications not duly signed by the sole/joint applicants.
- Amount paid doesn't tally with the amount payable for the PNCPS 2018 applied for.
- Application by persons who falls within the specified categories ("**Who cannot apply**") in terms of this Information Memorandum.
- PAN not mentioned in the Application Form.
- Applications for amounts greater than the maximum permissible amounts prescribed by applicable regulations.
- Applications by persons/entities who have been debarred from accessing the capital markets by SEBI.
- Applications by any persons resident outside India including Non Resident Indians.
- Application for number of PNCPS 2018, which are not in multiples of ₹ 1,00,00,000 or is less than the minimum application size.
- Application from Group Applicants as referred to in the section, "*Terms of the Issue*" that cumulatively exceeds the maximum application size.
- Applicant's details not provided in Application Form.
- Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted.
- In case the subscription amount is paid by any means other than direct credit, RTGS or NEFT.
- Complete demat details not provided or is incorrect or inadequate.
- Application Forms not accompanied by UTR Confirmation for receipt or payment of Application Money.
- Complete bank account details not given.
- PAN not given.
- In case of applications under Power of Attorney by limited companies, corporate bodies, trusts, etc. relevant documents not submitted.
- Copy of PAN card or PAN allotment letter.

For further instructions regarding application for the PNCPS 2018, Investors are requested to read the instructions provided in the Application Form.

How to Apply

This IM is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the PNCPS 2018 issued by the Bank. This IM is for the exclusive use of the person(s) to whom it is delivered and it should not be circulated or distributed to third parties. This IM would be sent specifically addressed to such persons by the Bank.

Only eligible Investors as provided in this IM may apply for PNCPS 2018 through the procedure detailed hereunder. Applications not completed in the said manner are liable to be rejected. After remitting application money, the applicant shall submit Application Form, in physical or electronic form, duly completed in all respects in accordance with the terms thereof, with the Bank in accordance with the Application Form. In case of electronic submission, application shall immediately provide physical copy of the Application Form to the RTA and/ or the Bank.

Potential investors will be invited to subscribe by way of the Application Form prescribed in the IM during the period between the Issue Opening Date and the Issue Closing Date (both dates inclusive). The Bank reserves the right to change the issue schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons or prior notice. The Issue will be open for subscription during the business hours on each day during the period covered by the Issue schedule.

The Bank shall circulate copies of this IM along with the serially numbered Application Form, either in electronic or physical form, to the Applicants and the Application Form will be specifically addressed to such Applicants. In terms of section 42(7) of the Companies Act, 2013, the Bank shall maintain complete records of the Applicants to whom this IM and the serially numbered Application Form have been dispatched. The Bank will make the requisite filings with the RoC within the stipulated time period as required under section 42 of the Companies Act, 2013.

All applications for the PNCPS 2018 to be issued in pursuance of this IM must be in the prescribed Application Form and be completed in block letters in English language. Application Forms must be accompanied by the UTR confirmation or acknowledgement slip in prescribed format for payment made. The payments made by way of electronic fund transfer/ RTGS will have to be made to the Bank's bank account details as below:-

Beneficiary	: Kotak Mahindra Bank Limited
Bank	: Kotak Mahindra Bank Limited
Account Name	: KMBL – Preference Issue – FY2019
IFSC Code	: KKBK0001368
Branch Name	: Mumbai - BKC 27
Bank Account Number	: 9613055599

The account shall be referred to as the "**Designated Account**".

The Board / Committee of Directors, as the case may be, reserves its full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereof. Payment made through a mode other than direct credit, RTGS or NEFT will not be accepted.

Applicants will not have the right to withdraw or modify any application after the Issue Closing Date.

Documents to be provided at the time of application

Potential investors are required to submit the following documents, as applicable

(a) Memorandum and articles of association or other constitutional documents;
(b) Resolution authorising investment;
(c) Certified true copy of the Power of Attorney;
(d) Specimen signatures of the authorised signatories duly certified by an appropriate authority;
(e) SEBI registration certificate (for Mutual Funds);
(f) Copy of PAN card to be submitted;
(g) Completed Application Form.

IMPORTANT:

PLEASE NOTE FOR APPLICANTS APPLYING THROUGH ELECTRONIC MODE SUCH AS RTGS, THE NAME OF THE APPLICANT AND THE APPLICATION FORM NUMBER MUST BE INCLUDED IN THE RTGS INSTRUCTION SLIP/INSTRUCTION SLIP FOR TRANSFER OF FUNDS.

Trading Lot

It is expected that Stock Exchanges may specify minimum trading lot of ₹ 10,00,000 for trading of PNCPS 2018 on the Stock Exchanges. Investors may verify the same before executing transactions. Trading Lot is subject to change as per applicable law or as may be determined by Stock Exchanges, from time to time.

Letter of Allotment/Refund

Each of the PNCPS 2018 holder shall be issued proof of allotment of PNCPS 2018 by way of a physical letter which shall be dispatched by the Bank to the PNCPS 2018 holder within five Business Days from the date of Allotment. The letter would include details of number of PNCPS 2018 allotted and also number of PNCPS 2018 not allotted, with details of amount refunded. Each of the PNCPS 2018 applicants who has not been allotted PNCPS 2018 shall be issued the same letter with details of amount refunded.

Basis of Allotment

The Bank reserves the right to reject in full or in part any or all the applications received by it from the investors, without assigning any reason for such rejections. Application Forms should reach the Bank in physical or electronic form with all other accompanying documents (including the documents referred to the section titled "**Documents to be provided at the time of application**") from the date of the Application, i.e. the Issue Opening Day, August 1, 2018 until Issue Closing Day, August 3, 2018. However, the Bank retains the option of closing the Issue prior to August 3, 2018, based on the subscription levels, as may be decided by the Board or committee of directors of the Bank. In case of electronic submission, applicant shall immediately provide physical copy of the Application Form to the RTA and/ or the Bank.

Oversubscription

In case of oversubscription over and above the Issue Size, Allotment of the PNCPS 2018 will be made to the applicants at the sole discretion of the Bank. It is expressly provided that in case of oversubscription, the Bank shall have the sole discretion to make an allotment of less than minimum application size to the applicants, subject to applicable law.

PNCPS 2018 allotment/Refunds

Allotment of PNCPS 2018 shall be made in dematerialised form to demat accounts as per details provided in the Application Form. Pending Allotment, all monies received for subscription of the PNCPS 2018 shall be kept by the Bank and shall be utilized only for the purposes permitted under the Companies Act, 2013. In case no demat details are provided in the Application Form or such details is incomplete or insufficient, the Bank reserves the right to hold the Application Money till such details are provided accurately.

The Bank shall make an application to BSE and the NSE within 15 days from the Deemed Date of Allotment to list the PNCPS 2018 and seek listing permission within 20 days from the Deemed Date of Allotment. In case of delay in listing of PNCPS 2018 beyond 20 days from the Deemed Date of Allotment, the Bank shall pay penal interest at the rate of 1.00% p.a. over the Dividend Rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of the PNCPS 2018 to the investors. For further information, please see the section, "*Terms of the Issue*" from pages 120 to 121.

In case the Bank has received money from applicants for PNCPS 2018 in excess of the aggregate of the application money relating to the PNCPS 2018 in respect of which allotments have been made, the Registrar shall upon receiving instructions in relation to the same from the Bank repay the moneys to the extent of such excess, if any.

If any application is rejected in full, the whole of the application money received, and if the application is rejected in part, the excess application money, after adjustment of allotment money if any, will be refunded to the Applicants in its bank account mentioned with depositories. In the event the Registrar to the Issue is unable to retrieve the Applicant's bank account details from the depositories or is unable to credit the amount to the Applicant's bank account as above, the Bank shall make the refund to the Applicant's bank account as mentioned in the Application Form. If no bank account details are provided on the Application Form, then refund through demand draft/pay order/bankers cheques or such other similar mode shall be dispatched by registered post/speed post.

For applicants whose applications have been rejected or allotted in part, refund shall be processed within 2 Business Days from the date of Allotment.

Furthermore, in the event of withdrawal of the Issue, or failure to obtain the final listing and trading approvals from BSE, refund will be processed to the applicants within seven days from such withdrawal or refusal by BSE.

However, the Bank shall not be liable to pay any interest on any application monies or refunds, except as required by applicable law.

In terms of Section 42(6) of the Companies Act, 2013, if the PNCPS 2018 is not allotted within 60 days from the date of receipt of the payments from the Applicants, the Bank shall repay such monies to the Applicants within 15 days from the date of completion of the aforesaid 60 days. If the Bank fails to repay the payments within the aforesaid period, it shall be liable to repay that money with interest at the rate of 12% per annum from the expiry of the sixtieth day.

Issue of PNCPS 2018 Certificate in Demat Form

The Bank shall issue the PNCPS 2018 only in dematerialized form and has made necessary arrangements with NSDL and CDSL for the same and shall apply for the ISIN code for the PNCPS 2018. Investors shall hold the PNCPS 2018 in demat form and deal with the same as per the provisions of Depositories Act, 1996 and the rules as notified by NSDL/ CDSL, from time to time. Investors should, therefore mention their DP's name, DP-ID Number and Beneficiary Account Number at appropriate place in the Application Form. The Bank shall credit the PNCPS 2018 allotted to the respective beneficiary accounts of the applicants within five Working Days from the date of allotment.

Issue of Duplicate PNCPS 2018 Certificate(s)

In case of rematerialisation of PNCPS 2018, held by the investors subsequent to the Issue and if such PNCPS 2018 Certificate(s) is/are mutilated or defaced or the pages for recording transfers of PNCPS 2018 are fully utilised, the same may be replaced by the Bank against the surrender of such Certificate(s) and upon payment by the claimant of such costs as may be determined by the Bank. Provided, where the PNCPS 2018 Certificate(s) is/are mutilated or defaced, the same will be replaced as aforesaid, only if the Certificate Number, PNCPS 2018 Holder Name and the distinctive numbers are legible. If any PNCPS 2018 Certificate(s) is/ are destroyed, stolen or lost, then upon production of proof thereof to the satisfaction of the Bank and upon furnishing such indemnity/ security and or other documents, as the Bank may deem adequate, duplicate PNCPS 2018 Certificate(s) shall be issued subject to the charge for the same being borne by the PNCPS 2018 Holder.

Depository arrangement

The Bank has appointed Karvy Computershare Private Limited as the Registrar and Transfer Agent for the Issue. The Bank has entered into depository arrangements with NSDL and CDSL for issue and holding of the PNCPS 2018(s) in dematerialized/ electronic form.

As per the provisions of Depositories Act, 1996, the PNCPS 2018 issued by the Bank can be held in a dematerialized/ electronic form, i.e., not in the form of physical certificate but be fungible and be represented by the statement issued through electronic mode.

In this context:

(a) Agreements have been signed by the Bank with NSDL and CDSL for offering a depository option to the investors.

(b) The Applicant(s) must have at least one beneficiary account with any of the DP of NSDL and CDSL prior to making the application.

(c) The Applicant(s) must necessarily fill in the details (including the beneficiary account number and Depository Participant's ID) appearing in the Application Form.

(d) PNCPS 2018(s) allotted to the Applicant(s) will be credited directly to the Applicant's Beneficiary Account with his/their DP.

(e) Names in the Application Form should be identical to those appearing in the Beneficiary Account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

(f) If incomplete/ incorrect details are given under the heading 'Applicant's depository details' in the Application Form, it is liable to be rejected.

(g) The address, nomination details, bank account details and other details of the applicant as registered with his DP shall be used for all correspondence with the Applicant(s), and for making payments of refunds or dividends to the Applicants and holders in due course. The Applicant(s) are therefore responsible for the correctness of his demographic details given in Application Form vis-à-vis those with his/their DP. In case information is incorrect or insufficient, the Bank would not be liable for losses, if any. In the event demographic details are not available or in a timely manner, the Bank reserves the right to use the information provided in the application form to be used for the purposes of making refunds and in such cases, the bank account details given in the application form may be used. Applicants should take care in providing correct details in the application form in this regard.

(h) Dividend amount with respect to the PNCPS 2018 held in dematerialized/electronic form would be paid to those PNCPS 2018 Holders whose names appear on the list of beneficial owners provided by NSDL and CDSL to the Bank as on record date. In case of those PNCPS 2018(s) for which the beneficial owner is not identified by the Depository as on the record date, the Bank would keep in abeyance the payment of dividend amount, till such time that the beneficial owner is identified by the Depository and conveyed to the Bank, whereupon the dividend or benefits will be paid to the beneficiaries, as identified.

PLEASE NOTE THAT THE ISSUE OF PNCPS 2018 SHALL BE IN DEMAT FORM ONLY

Default in Payment

In case of default in payment of Dividend on the due dates, additional interest on dividend at the rate of 2% p.a. over the dividend rate will be payable by the Bank for the defaulting period as per applicable law.

Obligations of Investors

Notwithstanding anything contained hereinabove, every potential investor/investor of the PNCPS 2018 must read, understand and accept, and shall be deemed to have read, understood and accepted, the terms and conditions of this IM prior to investing in the PNCPS 2018.

As a PNCPS 2018 holder, every initial investor undertakes by virtue of this IM to have read, understood and accepted all the terms and conditions referred to above and is an investor who falls within the specified categories ("**Who can apply**") in terms of this IM as available on the websites of the Stock Exchanges. The Bank would presume full knowledge of the contents of this IM and a full understanding of the PNCPS 2018, their nature and the applicable terms and conditions on the part of any person holding/buying these PNCPS 2018, and no claim to the contrary shall be entertained.

Undertaking by the Bank

The Bank undertakes that:

1. It shall attend to the complaints received in respect of the Issue expeditiously and satisfactorily;
2. The funds required for making refunds, if any, shall be made available on time; and
3. That necessary co-operation shall be extended to credit rating agency in providing true and adequate information till the obligations in respect of the instruments are outstanding.

REGULATIONS AND POLICIES

The regulations set out below are not exhaustive and are only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional legal advice in relation to PNCPS. Laws applicable to the Bank in general have not been included below. The statements below are based on the current provisions of Indian law and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

1. Companies Act

Issuance

The provisions of sections 42 and 55 of the Companies Act govern the issuance of preference shares.

Payment of Dividends

Dividends payable by the Bank in respect of the PNCPS for any particular year shall be paid or declared only out of the profits of the Bank for that particular year and shall be subject to the provisions of Section 123 of the Companies Act and the Articles of Association of the Bank. Further any dividend payout is subject to a dividend distribution tax (to the account of the Bank) at the then prevailing rate on the dividend declared, distributed or paid as per the applicable law.

Liquidation Preference

The PNCPS shall, on a winding up or repayment of capital, carry a preferential right vis-à-vis equity shareholders to be repaid the amount of capital paid up and shall include any unpaid dividends in accordance with the provisions of the Companies Act and the Articles of Association of the Bank**.**

Capital Redemption Reserve

Since PNCPS 2018 issued is perpetual, the provisions of capital redemption reserve are not applicable. For further details, please see the section, "*Terms of the Issue"* on page 121.

2. Banking Regulation Act

The primary legislation governing banking companies in India is the Banking Regulation Act. The provisions of the Banking Regulation Act are, in addition to and not, save as expressly provided under the Banking Regulation Act, in derogation of the Companies Act and any other law currently in force.

Payment of Dividends

The payment of dividends by Bank is subject to restrictions under the Banking Regulation Act. Section 15(1) of the Banking Regulation Act states that no banking company shall pay any dividend on its shares until all its capitalized expenses (including preliminary expenses, organisation expenses, share-selling commissions, brokerage, amounts of losses incurred and any other item of expenditure not represented by tangible assets) have been completely written off. In addition, section 17(1) of the Banking Regulation Act requires every banking company to create a reserve fund and, out of the balance of the profit of each year as disclosed in the profit and loss account, transfer a sum equivalent to not less than 25% of such profit to the reserve fund before declaring any dividend. Further, in May 2005, the RBI issued certain guidelines on declaration of dividends by banks.

Voting Rights

The voting rights on the PNCPS shall be restricted as per section 12(1) of the Banking Regulation Act.

3. Basel III Capital Regulations

The PNCPS can be issued by the banks and shall be included for computation of additional tier 1 capital subject to meeting the terms and conditions to qualify for inclusion in additional tier 1 capital adequacy as

provided in the RBI Master Circular on "*Basel III Capital Regulations.*" The Basel III capital regulation has been implemented from April 1, 2013 in India in phases and it will be fully implemented by March 31, 2019. The PNCPS should be issued by the bank (i.e., not by any special purpose vehicle, etc. set up by the bank for this purpose) and should be fully paid up.

4. NCRPS Regulations

The Bank is required to comply with the NCRPS Regulations which is applicable to the issue and listing of PNCPS 2018, subject to certain conditions. Every issuer desirous of listing PNCPS on a recognised stock exchange is required to execute an agreement with such stock exchange.

Further, in terms of Regulation 17 of the NCRPS Regulations, the minimum application size for each investor should not be less than ₹ 10,00,000. For further details on the minimum and maximum application size of the Issue, please see the section, *"Terms of the Issue"* on page 126.

INSPECTION OF DOCUMENTS

1. Memorandum and Articles of Association of the Bank.
2. Certificate of Incorporation.
3. Certificate of banking license.
4. Certified true copy of Resolution passed by the Board of Directors according the approval for issue of PNCPS 2018 on private placement basis.
5. Certified true copy of the Resolution passed by the Committee of Directors authorizing finalization and adoption of this IM.
6. Certified true copy of the Shareholder's Resolution passed approving the private placement of PNCPS 2018.
7. Annual Reports of the Bank for last three Financial Years.
8. Copy of letter dated August 1, 2018 received from CRISIL granting credit rating to the PNCPS 2018 issued in pursuance of this IM.
9. Tripartite agreement between the Bank, Registrar and NSDL and CDSL for issue of PNCPS 2018 in dematerialized form.
10. Letter confirming agreement entered into between the Bank and the Registrar.
11. Applications made to NSE and BSE for seeking their in-principle approval for listing of PNCPS 2018, respectively.
12. In-principle approvals received from NSE and BSE.
13. This IM and the Application Form.

The above material documents and contracts will be available for inspection between 9.30 a.m. and 5.00 p.m. on all working days, except Saturdays, Sundays and holidays in Mumbai, for the period from the Issue Opening Date till the Issue Closing Date, at the Corporate Office of the Bank.

Confidentiality

The information and data contained herein is submitted to each recipient of this IM on a strictly private and confidential basis. By accepting a copy of this IM, each recipient agrees that neither it nor any of its employees or advisors will use the information contained herein for any purpose other than evaluating the specific transactions described herein or will divulge to any other party any such information. This IM must not be photocopied, reproduced, extracted or distributed in full or in part to any person other than the recipient without the prior written consent of the Bank. If at any time any such reproduction or disclosure is made and the Bank suffers any loss, damage or incurs liability of any kind whatsoever arising out of or in connection with any such reproduction or disclosure, the recipient of this IM breaching the restriction on reproduction or disclosure agrees to hold harmless and indemnify the Bank from and against any such loss, damage or liability.

Signed pursuant to the authority granted by the Committee of Directors of the Bank at its meeting held on August 1, 2018.

For Kotak Mahindra Bank Limited

Dipak Gupta

Authorised Signatory

Date: August 1, 2018

Place: Mumbai

DECLARATION

I, Dipak Gupta, on behalf of the Board of Directors hereby declare and certify that:

(a) The Bank has complied with all relevant provisions of the Companies Act, 2013 and the rules made thereunder;

(b) The compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government; and

(c) The monies received under the Issue shall be used only for the purposes and objects indicated in the section titled "Terms of the Issue" of this IM (which includes disclosures prescribed under Form PAS-4).

Signed by:

_____
Dipak Gupta
Authorised Signatory

I am authorized by the Committee of Directors, a committee of the Board of Directors of the Bank vide resolution number dated August 1, 2018 to sign this IM and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoter subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed:

_____
Dipak Gupta
Authorised Signatory

Date: August 1, 2018
Place: Mumbai

ANNEXURE A

DCS/COMP/VM/IP-PNCPS/01/18-19
July 31, 2018

The Company Secretary
Kotak Mahindra Bank Limited
27 BKC, C 27, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai- 400051

Re: In-Principle approval for issue of up to 100,00,00,000 Fully Paid-Up, Non-Convertible, Basel III Compliant, Perpetual Non-Cumulative Preference shares with a face value of Rs. 5 each (The "PNCPS 2018"), aggregating up to Rs. 500 crores on a private placement basis

We acknowledge receipt of your application via e-mail dated July 30, 2018 seeking In-principle approval for issue of captioned security. In this regard, the Exchange is pleased to grant in-principle approval for listing subject to fulfilling the following conditions:

1. Filing of listing application & signing of PNCPSs Listing Agreement.
2. Payment of fees as may be prescribed from time to time.
3. Compliance with Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013, and submission of Disclosures and Documents as per Regulation 5 (2) (b) and Regulation 18 (1) in the format specified in Schedule I of the said Regulations and also Compliance with provisions of Companies Act 2013.
4. Receipt of Statutory & other approvals & compliance of guidelines issued by the statutory authorities including SEBI, RBI, DCA etc. as may be applicable.
5. Compliance with change in the guidelines, regulations directions of the Exchange or any statutory authorities, documentary requirements from time to time.

This In Principle Approval is valid for a period of 1 year from the date of issue of this letter. The Exchange reserves its right to withdraw its in-principle approval at any later stage if the information submitted to the Exchange is found to be incomplete/ incorrect/misleading/false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by the statutory authorities etc. Further, it is subject to payment of all applicable charges levied by the Exchange for usage of any system, software or similar such facilities provided by BSE which the Company shall avail to process the application of securities for which approval is given vide this letter.

Yours faithfully,
For BSE Limited

Bhushan Mokashi
Addl. General Manager

Rupal Khandelwal
Manager

BSE Limited (Formerly Bombay Stock Exchange Ltd.)
Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2272 1234/33 | E: corp.comm@bseindia.com | www.bseindia.com
Corporate Identity Number : L67120MH2005PLC155188

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Stock of the nation

Ref. No: NSE/LIST/55701

July 30, 2018

The Company Secretary
Kotak Mahindra Bank Limited
27 BKC, C 27, G Block,
Bandra Kurla Complex,
Bandra (E),
Mumbai – 400051.

Kind Attn: Ms. Bina Chandarana

Dear Madam,

Re.: In-principle approval for listing of 100,00,00,000 Perpetual Non-Cumulative Preference shares (PNCPS) of Rs.5/- each issued on private placement basis

We are in receipt of your application for the listing of 100,00,00,000 Perpetual Non-Cumulative Preference shares of Rs.5/- each issued on private placement basis.

We have perused the listing application and the related documents/details submitted by you for listing of the above shares.

We are pleased to grant the in-principle approval for listing of the above PNCPS on the Exchange.

Yours faithfully,
For National Stock Exchange of India Limited

Lokesh Bhandari
Senior Manager

CC: National Securities Depository Limited
4th Floor, Trade world,
Kamala Mills Compound,
Senapati Bapat Marg.,
Lower Parel - Mumbai - 400 013

Central Depository Services Limited
P.J.Towers, 28th Floor
Dalal Street, Mumbai - 400 023

P.S. Checklist of all the further issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed

Signer: Lokesh Bhandari
Date: Mon, Jul 30, 2018 14:26:14 IST
Location: NSE

Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400051, India. • Tel: +91 22 26598235/36, 26598346 • Fax: +91 22 26598237/38
E-mail : cmlist@nse.co.in • Web site: www.nseindia.com

ANNEXURE B

Ratings

CRISIL
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CONFIDENTIAL

KMBL/2017/203935/PNCPS/111217
August 01, 2018

Mr. Dipak Gupta
Joint Managing Director
Kotak Mahindra Bank Limited
5th Floor, 27BKC,
Plot No. C - 27, G Block,
Bandra Kurla Complex,
Mumbai 400051

Dear Mr. Gupta

Re: CRISIL Rating for the Rs.500 Crore Perpetual Non-Cumulative Preference Shares of Kotak Mahindra Bank Limited

We refer to your request for a rating for the captioned Debt instrument.

CRISIL has, after due consideration, assigned a **"CRISIL AA+/Stable"** (pronounced "CRISIL double A plus rating with stable outlook") rating to the captioned Debt instrument. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to suspend, withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL believes may have an impact on the rating.

Further, in view of your decision to accept the CRISIL Rating, we request you to apprise us of the instrument details (in the enclosed format) as soon as it has been placed. In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

As per the latest SEBI circular[1] on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,
Yours sincerely,

Rama Patel
Director– CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

[1] *Please refer to SEBI circular (bearing reference number: CIR/IMD/DF/17/2013) on Centralized Database for Corporate bonds/ Debentures dated October 22, 2013*

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site. www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301.

Ratings

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Rating Rationale

August 01, 2018 | Mumbai

Kotak Mahindra Bank Limited

'CRISIL AA+/Stable' assigned to Perpetual Non Cumulative Preference Shares

Rating Action

Rs.500 Crore Perpetual Non Cumulative Preference Shares	CRISIL AA+/Stable (Assigned)
Rs.250 Crore Upper Tier-II Bonds (Under Basel II)	CRISIL AAA/Stable (Withdrawn)
Rs.295 Crore Lower Tier-II Bonds (Under Basel II)	CRISIL AAA/Stable (Withdrawn)
Rs.516 Crore Lower Tier-II Bonds (Under Basel II)*	CRISIL AAA/Stable (Reaffirmed)
Rs.185.8 Crore Lower Tier-II Bonds (Under Basel II)	CRISIL AAA/Stable (Reaffirmed)
Rs.1800 Crore Infrastructure Bonds	CRISIL AAA/Stable (Reaffirmed)
Fixed Deposits	FAAA/Stable (Reaffirmed)
Rs.17000 Crore Certificate of Deposits	CRISIL A1+ (Reaffirmed)

1 crore = 10 million
Refer to annexure for Details of Instruments & Bank Facilities
** Originally issued by erstwhile ING Vysya Bank*

Detailed Rationale

CRISIL has assigned its **'CRISIL AA+/Stable'** rating to the Rs 500 crore Perpetual Non-Cumulative Preference Shares of Kotak Mahindra Bank Ltd (KMBL; part of the Kotak group) and has withdrawn its rating on Rs 295 crore Lower Tier-II Bonds (under Basel II) and Rs 250 crore Upper Tier-II Bonds (under Basel II) since the outstanding against the same was nil. Ratings on the other debt instruments and fixed deposits have been reaffirmed at 'CRISIL AAA/FAAA/Stable/CRISIL A1+'.

The overall ratings continue to reflect the Kotak group's strong capitalisation, healthy asset quality, and comfortable earnings.

CRISIL's rating on the Perpetual Non-Cumulative Preference Shares (Under Basel III) of KMBL is as per the criteria 'https://www.crisil.com/content/dam/crisil/criteria_methodology/financials/BASEL III compliant instruments.pdf' As per the criteria for tier I capital (under Basel III), CRISIL evaluates the bank's (I) reserves position (adjusted for any medium-term stress in profitability) and (II) cushion over regulatory minimum CET1 (including CCB) capital ratios. CRISIL also evaluates the bank's demonstrated track record and management philosophy regarding maintaining sufficient CET1 capital cushion above the minimum regulatory requirements. KMBL's eligible reserves to total assets remains comfortable at around 7.5% as of March 31, 2018, with adequate CET1 capital buffer of 10.2% as on March 31, 2018 (CET1 ratio of 17.53% compared to the regulatory minimum of 7.38%).

Analytical Approach

For arriving at the ratings, CRISIL has combined the financial and business risk profiles of KMBL and KMBL's other subsidiaries. This is because all the entities, collectively referred to as the Kotak group, have extensive business and operational linkages, and same senior management and brand.

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Key Rating Drivers & Detailed Description

Strong capitalization: The Kotak group has maintained its strong capital position. Absolute networth increased to Rs 50,486 crore as on March 31, 2018 (Rs 52,124 crore as on June 30, 2018), from Rs 38,491 crore as on March 31, 2017. Tier-I capital adequacy ratio (CAR) and overall CAR were healthy, at 17.8% and 18.4%, respectively, as on March 31, 2018 (18.0% and 18.5%, respectively, including unaudited profits for the quarter ended as on June 30, 2018). The bank raised Rs 5,803 crore through a Qualified Institutional Placement (QIP) issuance in fiscal 2018. Networth coverage for net non-performing assets (NPAs) was also comfortable at 28.5 times as on March 31, 2018 (31.8 times as on June 30, 2018). Capitalization of the other fund-based Kotak group entities is also comfortable with the gearing of Kotak Mahindra Prime Ltd and Kotak Mahindra Investments Ltd at 5.1 times and 5.3 times, respectively, as on March 31, 2018 (4.8 times and 4.9 times as on June 30, 2018).

CRISIL believes the Kotak group's capitalisation will continue to be backed by steady internal cash accrual, and will remain strong to support growth initiatives over the medium term.

Healthy asset quality: The Kotak group has demonstrated its ability to maintain asset quality through cycles and its management is proactive in handling potential stress in the lending portfolio. While NPAs and restructured assets have increased post-merger of erstwhile ING Vysya, they remain comparable with peers in the same rating category. The group's gross NPAs were 2.0% as on March 31, 2018 (1.9% as on June 30, 2018), witnessing a decline from 2.3% as on March 31, 2017. Top wholesale advances are also of a low-risk nature. CRISIL believes the Kotak group's stringent underwriting standards, strong risk management systems and processes, and rigorous collection measures will keep asset quality healthy over the medium term.

Comfortable Earnings: The Kotak group has comfortable earnings, with return on assets (RoA) at 2.0% for fiscal 2018 (1.8%, annualized, for quarter ended June 30, 2018). RoA has improved from 1.6% in fiscal 2016 (dipped because of few merger-related one-off costs and elevated credit costs on account of the acquired portfolio). The group's business is diversified across financial services, ensuring a healthy mix of fund- and fee-based revenue streams. Over the past few years, RoA has become more aligned with lending businesses as this segment accounts for around 80% of profit after tax for fiscal 2018, thereby providing stability to earnings. Over the medium term, as the business benefits from the merger flow in and as credit costs are normalised, profitability of the lending business is expected to return to previous levels. With continued traction in the capital markets-related businesses, and steady profitability of the insurance business, outlook for the Kotak group's earnings profile remains comfortable.

Outlook: Stable

CRISIL believes the Kotak group will report steady growth in its lending business, while maintaining healthy asset quality and strong capitalisation, over the medium term. Earnings will continue to benefit from diversified business risk profile. The outlook may be revised to 'Negative' if the group's asset quality weakens, resulting in decline in earnings and capitalisation.

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About the Group

KMBL is the flagship company of the Kotak group and has diversified operations covering commercial vehicle financing, consumer loans, corporate finance, and asset reconstruction. Through its subsidiaries, the bank is engaged in investment banking, equity broking, securities-based lending, and car finance. KMBL was reconstituted as a commercial bank from a non-banking financial company (NBFC) in fiscal 2003 to provide a more comprehensive range of financial services. Effective April 1, 2015, ING Vysya Bank was merged with KMBL and the integration process has been completed.

Other than KMBL, the key operating companies of the Kotak group are Kotak Mahindra Prime Ltd (car financing), Kotak Mahindra Capital Company (investment banking), Kotak Securities Ltd (retail and institutional equities broking, and portfolio management services), Kotak Mahindra Investments Ltd (commercial real estate lending and securities-based lending) and Kotak Investment Advisors Ltd (alternate assets space). The group also operates in the life and general insurance business through Kotak Mahindra Life Insurance Company Ltd and Kotak Mahindra General Insurance Company Ltd. It is also present in the asset management business through Kotak Mahindra AMC and Trustee Company Ltd, and recently launched Kotak Infrastructure Debt Fund. The acquisition of BSS Microfinance Ltd (formerly known as BSS Microfinance Pvt. Ltd.), a NBFC-MFI, was completed during the quarter ended September 30, 2017.

The Kotak group's profit after tax (PAT) was Rs 6,201 crore on total income of Rs 38,724 crore (excluding sub-brokerage) for fiscal 2018, against Rs 4,940 crore and Rs 33,905 crore (excluding sub-brokerage), respectively, for fiscal 2017. For the quarter ended June 30, 2018, the group reported a PAT of Rs 1,574 crore on total income of Rs 9,904 crore (excluding sub-brokerage), against Rs 1,347 crore and Rs 8,605 crore (excluding sub-brokerage) for the corresponding period last fiscal.

Key Financial Indicators

As on / for the quarter ended June 30	Unit	2018	2017
Total Assets	Rs crore	3,45,021	2,80,178
Total Income	Rs crore	9,904	8,605
Profit after tax	Rs crore	1,574	1,347
Gross NPA	%	1.9	2.2
Overall capital adequacy ratio (including unaudited profits)	%	18.5	19.5
Return on assets (annualized)	%	1.8	1.9

Any other information

Key features of Kotak Mahindra Bank's Rs 600 crore Perpetual Non-Cumulative Preference Shares (under Basel III)

- The preference shares are non-convertible, perpetual, unsecured, and Basel III-compliant for inclusion in Tier I capital.
- Coupon payments shall be annual and non-cumulative.
- The bank has full discretion at all times to cancel coupon payments.
- The coupon is to be paid out of current-year profits. However, if current-year profits are insufficient, and payment of coupon may result in losses during the year, coupon payment can be made out of eligible reserves (subject to the bank meeting minimum regulatory requirements for CET-I, Tier-I, and total capital ratios at all times as prescribed by RBI, and subject to requirements of capital buffer frameworks, or credit balance in profit and loss account).
- Dividend stopper clause as defined in the guidelines is applicable.
- Loss-absorption features as per RBI's BASEL-III norms are applicable.
    - Instrument will be temporarily written-down upon CET I breaching the pre-specified trigger of 5.5% before March 31, 2019, and 6.125% on or after March 31, 2019.
    - The instrument may be permanently written off at the option of RBI on occurrence of point of non-viability (PONV) trigger.
    - The PONV trigger shall be determined by RBI.

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Note on complexity levels of the rated instrument:
CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

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Note on Tier-I Instruments (Under Basel III)

The distinguishing features of non-equity Tier-I capital instruments (under Basel III) are the existence of coupon discreti at all times, high capital thresholds for likely coupon non-payment, and principal write-down (on breach of a pre-specifie trigger). These features increase the risk attributes of non-equity Tier-I instruments over those of Tier-II instruments unc Basel III, and capital instruments under Basel II. To factor in these risks, CRISIL notches down the rating on these instruments from the bank's corporate credit rating. The rating on the bank's tier-I Bonds (under Basel III) is lower by on notch from the bank's corporate credit rating, in line with CRISIL's criteria (refer to 'CRISIL's rating criteria for Basel III-compliant instruments of banks').

The factors that could trigger a default event for non-equity Tier-I capital instruments (under Basel III), resulting in non-payment of coupon, include: i) the bank exercising coupon discretion, ii) inadequacy of eligible reserves to honour coup payment if the bank reports low profit or a loss, or iii) the bank breaching the minimum regulatory common equity Tier ((I, including counter cyclical buffer, ratio. Moreover, given their additional risk attributes, the rating transition for non-equi Tier-I capital instruments (under Basel III) can potentially be higher than that for Tier-II instruments

Annexure - Details of Instrument(s)

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Cr)	Outstanding ra with Outlool
INE166A08016	Lower Tier II bonds*#	15-Jul-08	10.40%	14-Jul-18	150.00	CRISIL AAA/St
INE166A08024	Lower Tier II bonds*	31-Jan-09	9.65%	30-Jan-19	60.00	CRISIL AAA/St
INE166A08032	Lower Tier II bonds*	14-Dec-12	9.9%	14-Dec-22	306.00	CRISIL AAA/St
INE237A08866	Lower Tier II bonds#	9-Jul-07	10.25%	9-May-18	10.80	CRISIL AAA/St
INE237A08890	Lower Tier II bonds	7-Apr-11	9.31%	7-Apr-21	150.00	CRISIL AAA/St
INE237A09153	Lower Tier II bonds#	9-Jul-07	10.25%	9-May-18	25.00	CRISIL AAA/St
INE237A08908	Infrastructure Bonds	12-Aug-14	9.36%	12-Aug-21	262.00	CRISIL AAA/St
INE237A08924	Infrastructure Bonds	14-Jan-15	8.72%	14-Jan-22	500.00	CRISIL AAA/St
INE237A08932	Infrastructure Bonds	30-Mar-15	8.45%	30-Mar-22	200.00	CRISIL AAA/St
NA	Infrastructure Bonds**	NA	NA	NA	838.00	CRISIL AAA/St
NA	Perpetual Non-Cumulative Preference Shares**	NA	NA	NA	500	CRISIL AA+/St
NA	Fixed Deposits	NA	NA	NA	NA	FAAA/Stable
NA	Certificate of Deposits	NA	NA	NA	17000	CRISIL A1+

*Originally issued by erstwhile ING Vysya Bank
**Not yet issued
#Awaiting independent confirmation of redemption before withdrawing ratings on these facility

Ratings

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Annexure - Rating History for last 3 Years

	Current			2018 (History)		2017		2016		2015		Sta 20
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Ra
Certificate of Deposits	ST	17000.00	CRISIL A1+			27-11-17	CRISIL A1+	29-11-16	CRISIL A1+	21-06-15	CRISIL A1+	CR A
										13-01-15	CRISIL A1+	
Fixed Deposits	FD	0.00	FAAA/Stable			27-11-17	FAAA/Stable	29-11-16	FAAA/Stable	21-06-15	FAAA/Stable	FAA
										13-01-15	FAAA/Stable	
Infrastructure Bonds	LT	962.00 31-03-18	CRISIL AAA/Stable			27-11-17	CRISIL AAA/Stable	29-11-16	CRISIL AAA/Stable	21-06-15	CRISIL AAA/Stable	CR AAA
										13-01-15	CRISIL AAA/Stable	
Lower Tier-II Bonds (under Basel II)	LT	0.00 31-03-18	CRISIL AAA/Stable			27-11-17	CRISIL AAA/Stable	29-11-16	CRISIL AAA/Stable	21-06-15	CRISIL AAA/Stable	CR AAA
										13-01-15	CRISIL AAA/Stable	
Perpetual Non Cumulative Preference Shares	LT	500.00	CRISIL AA+/Stable		--		--		--		--	-
Upper Tier-II Bonds (under Basel II)	LT	0.00 31-03-18	Withdrawn			27-11-17	CRISIL AAA/Stable	29-11-16	CRISIL AAA/Stable	21-06-15	CRISIL AAA/Stable	CR AAA
										13-01-15	CRISIL AAA/Stable	

All amounts are in Rs.Cr.

Links to related criteria
Rating Criteria for Banks and Financial Institutions
CRISILs Criteria for Consolidation
CRISILs Criteria for rating short term debt

Ratings

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For further information contact:

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Ratings

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ANNEXURE C

APPLICATION FORM

PRIVATE PLACEMENT OF PERPETUAL NON-CUMULATIVE PREFERENCE SHARES 2018

Private & Confidential
Not for Circulation
Application No.: _____
Date: August __, 2018

KOTAK MAHINDRA BANK LIMITED
Registered Office: 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

Dear Sirs,

Having read and understood the contents of the Information Memorandum (as defined overleaf), I/ we apply for allotment to me/ us of the 8.10% Kotak Mahindra Bank Limited Perpetual Non-Cumulative Preference Shares 2018 ("**PNCPS 2018**") of Kotak Mahindra Bank Limited ("**Bank**"). The amount payable with the Application Form as shown below is remitted herewith. In case of allotment, please place my/ our name(s) on the Register of Preference Shareholders. I/ We bind ourselves by the terms and conditions as contained in the Information Memorandum. I/ We note that the Bank is entitled in its absolute discretion to accept or reject this Application Form, whole or in part, without assigning any reason whatsoever.

By making this Application Form, I/ we acknowledge that I/ we have understood the terms and conditions of the Issue of PNCPS 2018 of the Bank as disclosed in the Information Memorandum. I/ We further confirm that I/ we am/ are eligible to apply for, purchase and hold PNCPS 2018 as per the Information Memorandum, this Application Form and applicable law. I/ We understand that the PNCPS 2018 is being counted towards Additional Tier 1 Capital of the Bank. Further, I/ we confirm that the Bank has not directly or indirectly provided financial assistance to me/ us for making this investment.

I/ we confirm that I/ we have read and understood the loss absorbency features of PNCPS 2018 as disclosed on page numbers 127-128 of the Information Memorandum.

I/ We confirm that my/ our application size/ aggregate number of PNCPS 2018 applied by me/ us, does not exceed the relevant regulatory or approved limits. I/ We undertake that I/ we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable me/ us to be registered as the holder(s) of the PNCPS 2018 that may be allotted to me/ us. I/ We confirm that the signatory is authorized to apply on behalf of the applicant and the applicant has all the necessary approvals. I/ We authorize the Issuer to place my/ our name in the register of members of the Issuer as holders of the PNCPS 2018 that may be allotted to me/ us. I/ We note that the Board of Directors of the Issuer, or any duly authorized committee thereof, is entitled in their absolute discretion, to accept or reject this Application Form in part or in full without assigning any reason thereof. I/ We hereby agree to accept the PNCPS 2018 applied for, or such lesser number as may be allocated to me/ us subject to: (i) the Memorandum and Articles of Association of the Bank, (ii) applicable laws and regulations, and (iii) the terms of the Information Memorandum, this Application Form, upon its issuance and the terms, conditions and agreements mentioned therein, and request you to credit the same to my/ our beneficiary account as per the details given in this Application Form. I/ We also agree that the amount payable for the PNCPS 2018 in the Issue shall be made from the bank account maintained in my/ our name.

I/ We are aware that, in accordance with Section 12B of the Banking Regulation Act, 1949 read with the Reserve Bank of India (Prior approval for acquisition of shares or voting rights in private sector banks) Directions, 2015, dated November 19, 2015, no person (along with his relatives, associate enterprises or persons acting in concert with him) can acquire or hold 5% or more of the total paid-up share capital of the Issuer or be entitled to exercise 5% or more of the total voting rights of the Issuer, without prior approval of the RBI. Accordingly, I/ We hereby represent that my/ our (direct or indirect) aggregate holding in the paid-up share capital of the Issuer, whether beneficial or otherwise: (i) after subscription to this Issue by me/ us, our relatives, our associate enterprises or persons acting in concert with us, aggregated with any pre-Issue shareholding in the Issuer of my/ us, our relatives, our associate enterprises or persons acting in concert; or (ii) after subscription in this Issue by me/ us aggregated with any pre-Issue shareholding in the Issuer of me/ us, our relatives, our associate enterprises or persons acting in concert with us, shall not amount to 5% or more of the total paid-up share capital of the Issuer or would not entitle us to exercise 5% or more of the total voting rights of the Issuer, except with the prior approval of the RBI. I/ We are aware that the Issuer will furnish complete details of the Issue to the RBI in accordance with the RBI Master Circular dated July 1, 2015 on Basel III Guidelines (as amended).

By signing and submitting this Application Form, I/ We further represent, warrant and agree that I/ We have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the PNCPS 2018. I/ We further represent that in making our investment decision, we have relied only on the information contained in the Information Memorandum and not on any other information obtained by us either from the Issuer or from any other source, including publicly available information.

(PLEASE READ THE INSTRUCTIONS ON THE REVERSE CAREFULLY BEFORE FILLING UP THIS APPLICATION FORM)

Applicant's Details* *(to be filled in block letters)*:

First/Sole Applicant: _____

Second Applicant: _____

Third Applicant: _____

Address: _____

_____

Pin Code: _____ Tel/Mobile No.: _____ Email: _____

Occupation: _____ Nationality: _____

PAN No.: _____ Investor Category Code (please refer overleaf): _____

(*Furnishing of Applicant's details is mandatory, failing which the Application Form is liable to be rejected.*)

***** In case of joint applicants, names and sequence of names should be as per names and order mentioned with depository participant.

Investment Details:

Face Value (in ₹/ PNCPS 2018)	5
Issue Price (in ₹/ PNCPS 2018)	5
Minimum Application of and in multiples of PNCPS 2018 thereafter	2,00,00,000 (Two Crores) PNCPS 2018 and in multiples of 20,00,000 (Twenty Lakhs) PNCPS 2018 thereafter.
Maximum Application	10,00,00,000 (Ten Crores) PNCPS 2018 cumulatively for each set of PNCPS 2018 Group Applicants.
Tenor	Perpetual
No. of PNCPS 2018 applied for (in words)	
No. of PNCPS 2018 applied for (in figures)	

Payment Details*:

Amount (No. of PNCPS 2018 applied for multiplied by ₹5 per PNCPS 2018) (in ₹) *(in words)*	
Amount (No. of PNCPS 2018 applied for multiplied by ₹5 per PNCPS 2018) (in ₹) *(in figures)*	
Mode of Payment	Electronic mode only.
Date of Payment	
Bank Name from which Electronic Fund Transfer is made	
UTR Number for Payment Confirmation	

(**The Application Form must be accompanied with the UTRN. The details of the bank account to which payment needs to be made are provided overleaf.*)

Depository Account Details:

Depository Name	**National Security Depository Limited**							
Depository Participant Name								
DP – ID	**I**	**N**						
Beneficiary Account Number								

Central Depository Services (India) Limited															
(16 digit beneficiary A/c. No. to be mentioned above)															

(The demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above.)

Bank Account Details (for refunds, in accordance with the terms of the Issue):

Bank Account No.	
Bank Name	
IFSC Code	
Bank Address	

Tax Deduction at Source for Interest payments, if any, in accordance with the terms of the Issue (please specify):

IT Circle/ Ward/ District: _____

Tax Deduction Status:

(a) Fully Exempt (please furnish exemption certificate): _____

(b) Rate of tax to be deducted at source: _____

Enclosures Attached (please tick):

☐ Copy of the Memorandum and Articles of Association (or other constitutional documents)	☐ Specimen signatures of the authorised signatories duly certified by an appropriate authority
☐ Copy of the Resolution authorising investment in PNCPS 2018	☐ SEBI registration certificate (for Mutual Funds)
☐ Certified true copy of the Power of Attorney	☐ Copy of PAN card

Specimen Signature (In case of joint applicants, signatures should be in the order of names above):

S.no.	Name of the Authorised Signatories	Designation	Signature
1.			
2.			
3.			
4.			

✂-✂-✂-✂-✂-✂-✂-✂-✂-✂-✂-✂-✂-✂-✂-✂-✂-✂-✂---**Tear-Here**---✂-✂-✂-✂-✂-✂-✂-✂-✂-✂-✂-✂-✂-✂-✂-✂-✂-✂-✂

Application No.: _____

KOTAK MAHINDRA BANK LIMITED

Registered Office: 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

ACKNOWLEDGEMENT SLIP

Received from: _____ _____ **Date: August _____, 2018**

Issue Price (₹/ PNCPS 2018)	**5**
Name of First / Sole Applicant	
Number of PNCPS 2018 applied for	
Amount Paid (in ₹)	

Mode of Payment	
Date of Payment	
Electronic Fund Transfer made on Bank	
UTR Number	

Date, Stamp and Signature of the Registrar

INSTRUCTIONS

1. Investors are requested to read the Information Memorandum carefully prior to making an investment decision in the PNCPS 2018.
2. The Application Form would be accepted as per the terms of the issue of Perpetual Non-Cumulative Preference Shares 2018 ("**PNCPS 2018**") on private placement basis offered by way of the information memorandum dated August 1, 2018 ("**Information Memorandum**"). Applicants are requested to refer to the application procedure set forth in the Information Memorandum.
3. Payment of application money should be made to the bank account as per details below:

Beneficiary	Kotak Mahindra Bank Limited
Bank Name	Kotak Mahindra Bank Limited
Branch Name	Mumbai - BKC 27
Account Name	KMBL – Preference Issue – FY2019
Account Number	9613055599
IFSC Code	KKBK0001368

4. For the Applicants applying through electronic mode such as RTGS, the name of the Applicant and the Application Form number must be included in the RTGS instruction slip/instruction slip for transfer of funds.
5. The Application Form must be completed in full in BLOCK LETTERS in English. A blank space must be left between two or more parts of the name.
6. The sole/first applicant should mention his/her/its PAN Number allotted under Income Tax Act, 1961. Income Tax as applicable will be deducted at source at the time of payment of interest on Application/Refund Money.
7. Signatures should be made in English or in any of the Indian languages. Thumb impressions must be attested by an authorised official of a bank or by a Magistrate/Notary Public under his/her official seal.
8. Only the investors who are specifically addressed through a communication by or on behalf of the bank directly by way of a Information Memorandum accompanied with the Application Form are eligible to apply for the PNCPS 2018. The various categories of investors eligible to apply are as given below:

Code	Category	Code	Category
01	Public Financial Institution as defined in section 2(72) of the Companies Act, 2013 which is duly authorized to invest in PNCPS 2018	08	Trust authorized to invest in PNCPS 2018
02	Mutual Fund	09	Statutory Corporation/ Undertakings established by Central/ State Legislature authorized to invest in PNCPS 2018
03	Insurance Company	10	Non-Banking Financial Company
04	Scheduled Commercial Bank	11	Resident Individual Investor
05	Provident Fund, Gratuity Fund, Superannuation Fund and Pension Fund	12	Partnership firm formed under applicable laws in India in the name of the partners
06	Companies and Bodies Corporate, incorporated in India, and authorized	13	Hindu Undivided Family through its Karta

	to invest in PNCPS 2018		
07	Society authorized to invest in PNCPS 2018		

9. Following categories of investors are **NOT** eligible to apply:

Foreign Nationals	Venture Capital Funds
Any related party over which the Bank exercises control or significant influence (as defined under relevant Accounting Standards)	Alternative Investment Funds
Persons resident outside India, including Non Resident Indians	Overseas Corporate Bodies
Application by persons not competent to contract under the Indian Contract Act, 1872 including minors (without the name of guardian) and insane persons	Person ineligible to contract under applicable statutory/ regulatory requirements
Foreign Portfolio Investors	Persons/entities who have been debarred from accessing the capital markets by SEBI

10. Group Applicants shall include the applicant, who is making the application to subscribe to these PNCPS 2018, and his relative or associated enterprise or person acting in concert with him. For this purpose,
    (a) relative shall have the meaning assigned to it in the Companies Act, 2013.
    (b) "associate enterprise" means a company, whether incorporated or not, which:
        (i) is a holding company or a subsidiary company of the applicant; or
        (ii) is a joint venture of the applicant; or
        (iii) controls the composition of the Board of Directors or other body governing the applicant; or
        (iv) exercises, in the opinion of the Reserve Bank, significant influence on the applicant in taking financial or policy decisions; or
        (v) is able to obtain economic benefits from the activities of the applicant.

    persons shall be deemed to be "acting in concert" who, for a common objective or purpose of acquisition of shares or voting rights, pursuant to an agreement or understanding (formal or informal), directly or indirectly cooperate by acquiring or agreeing to acquire shares or voting rights. Investors shall be bound by the terms and conditions as contained in the Information Memorandum, including the basis of allotment as specified therein.
11. In case of joint applicants, the demat accounts should also have the same joint holders in the same order.
12. Allotment of PNCPS 2018 shall be made in dematerialised form to demat accounts as per details provided in the Application Form. Pending Allotment, all monies received for subscription of the PNCPS 2018 shall be kept by the Bank and shall be utilized only for the purposes permitted under the Companies Act, 2013. In case no demat details are provided in the Application Form or such details is incomplete or insufficient, the Bank reserves the right to hold the Application Money till such details are provided accurately. The Bank shall credit the allotted securities to the respective beneficiary account/ dispatch the refund order(s)/ letter(s) of allotment / letter(s) of regret, as the case may be, through email, within seven days from the date of closing of the subscription list. Applications for allotment of PNCPS 2018 in physical form or applications without complete details of valid demat account shall be rejected.
13. Each of the PNCPS 2018 holders shall be issued proof of allotment of PNCPS 2018 by way of a physical letter which shall be issued by the Bank to the PNCPS 2018 holders within five business days from the date of Allotment. The letter would include details of number of PNCPS 2018 allotted and also number of PNCPS 2018 not allotted, with details of amount refunded. Each of the PNCPS 2018 applicants who have not been allotted PNCPS 2018 shall be issued the letter of refund with details of amount refunded.
14. The payment of dividend shall be made to the bank account linked with the demat account of the investor, wherein the allotment of the PNCPS 2018 is made.
15. Applicants will not have the right to withdraw or modify any Application Form after the Issue Closing Date.
16. Application Forms, duly completed in all respects, should reach the Bank in physical or electronic form, on or prior to the Issue Closing Date. In case of electronic submission, Applicant shall immediately provide physical copy of the Application Form to the Bank. Application Forms duly completed in all respects must be sent to the address of the Bank as specified below.
17. Any payment made through a mode other than direct credit, RTGS or NEFT are liable to be rejected.
18. The Application Form must be accompanied with the UTRN for payment confirmation.
19. Receipt of Application Forms will be acknowledged by Karvy Computershare Private Limited in the "Acknowledgement Slip", appearing below the Application Form. No separate receipt will be issued. It is the responsibility of the Investor to ensure that his/her/its application is received by the Bank and the payment is made to the abovementioned account prior to closure of the Issue. Failure to do so may result in rejection of the application.
20. PNCPS 2018 allotted pursuant to the Issue are proposed to be listed on BSE Limited and the National Stock Exchange of India Limited.
21. The Bank retains the option of closing the Issue prior to the Issue Closing Date, based on the subscription levels, as may be decided by the Board or committee of directors of the Bank.
22. Capitalised terms used but not defined herein shall have the meaning given to them in the Information Memorandum.
23. Application Forms not accompanied by the required documents are liable to be rejected. The Applicants are required to submit the following documents along with the completed Application Form, as applicable:
    (a) Memorandum and articles of association or other constitutional documents;
    (b) Resolution authorising investment;
    (c) Certified true copy of the Power of Attorney;
    (d) Specimen signatures of the authorised signatories duly certified by an appropriate authority;
    (e) SEBI registration certificate (for Mutual Funds); and
    (f) Copy of PAN card.

DETAILS FOR SUBMISSION OF APPLICATION FORM ALONG WITH THE RELEVANT DOCUMENTS (*please refer to Instruction No.15 above***)**

ADDRESS:	5th Floor, 27BKC, C 27, G Block, Bandra Kurla Complex Bandra (East), Mumbai 400 051, Maharashtra, India

EMAIL ADDRESS:	kotak.pncps2018@kotak.com

ANNEXURE D

KOTAK MAHINDRA BANK LIMITED (CONSOLIDATED)
Registered Office: 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE, 2018

₹ crore

Sr No	Particulars	Quarter Ended			Year Ended
		30-Jun-18 (Unaudited)	31-Mar-18 (Audited)	30-Jun-17 (Unaudited)	31-Mar-18 (Audited)
1	**Interest earned (a+b+c+d)**	**6,903.37**	**6,732.37**	**5,935.15**	**25,131.08**
	(a) Interest/discount on advances/bills	5,113.13	4,881.43	4,335.06	18,380.86
	(b) Income on investments	1,503.92	1,461.09	1,212.88	5,258.25
	(c) Interest on balances with RBI & other interbank funds	166.56	246.80	260.75	966.80
	(d) Others	119.76	143.05	126.46	525.17
2	**Other income (a+b+c)**	**3,000.19**	**4,141.75**	**2,669.41**	**13,592.59**
	(a) Profit/(Loss) on sale of investments including revaluation (insurance business)	48.94	(462.64)	354.83	685.20
	(b) Premium on Insurance Business	1,201.51	2,800.37	977.05	6,667.08
	(c) Other income (Refer Notes 3, 4 & 5)	1,749.74	1,804.02	1,337.53	6,240.31
3	**Total income (1+2)**	**9,903.56**	**10,874.12**	**8,604.56**	**38,723.67**
4	Interest expended	3,498.65	3,343.81	2,930.64	12,466.85
5	**Operating expenses (a+b+c)**	**3,590.01**	**4,646.81**	**3,441.44**	**16,073.85**
	(a) Employees cost	1,103.53	1,205.08	1,025.52	4,380.90
	(b) Policy holders' reserves, surrender expense and claims	1,106.42	2,003.93	1,223.64	6,533.17
	(c) Other operating expenses (Refer Note 4 and 6)	1,380.06	1,437.80	1,192.28	5,159.78
6	**Total expenditure (4+5)** (excluding provisions and contingencies)	**7,088.66**	**7,990.62**	**6,372.08**	**28,540.70**
7	**Operating Profit (3-6)** (Profit before provisions and contingencies)	**2,814.90**	**2,883.50**	**2,232.48**	**10,182.97**
8	Provisions (other than tax) and contingencies (Refer Note 7)	498.98	313.37	232.22	1,024.74
9	Exceptional items	-	-	-	-
10	**Profit from ordinary activities before tax (7-8-9)**	**2,315.92**	**2,570.13**	**2,000.26**	**9,158.23**
11	Tax expense	771.35	840.09	663.75	3,011.09
12	**Net Profit from ordinary activities after tax before Minority Interest (10–11)**	**1,544.57**	**1,730.04**	**1,336.51**	**6,147.14**
13	Extraordinary items (net of tax expense)	-	-	-	-
14	**Net Profit from ordinary activities after tax before Minority Interest (12 -13)**	**1,544.57**	**1,730.04**	**1,336.51**	**6,147.14**
15	Less: Share of Minority Interest	-	0.03	26.70	56.67
16	Add: Share in profit of associates	29.91	59.23	37.01	110.50
17	**Profit after tax (14-15+16)**	**1,574.48**	**1,789.24**	**1,346.82**	**6,200.97**
18	**Paid up equity share capital - (Face value of ₹ 5 per share)**	**953.07**	**952.82**	**951.75**	**952.82**
19	Group Reserves (excluding Minority Interest and revaluation reserves)				49,533.24

Sr No	Particulars	Quarter Ended			Year Ended
		30-Jun-18 (Unaudited)	31-Mar-18 (Audited)	30-Jun-17 (Unaudited)	31-Mar-18 (Audited)
20	Minority Interest				-
21	**Analytical Ratios**				
	(i) Capital adequacy ratio – Basel III (standalone)	17.76	18.22	19.21	18.22
	(ii) Earnings per share				

₹ crore

Sr No	Particulars	Quarter Ended			Year Ended
		30-Jun-18 (Unaudited)	31-Mar-18 (Audited)	30-Jun-17 (Unaudited)	31-Mar-18 (Audited)
	- Basic (not annualised) ₹	8.26	9.39	7.20	32.70
	- Diluted (not annualised) ₹	8.25	9.38	7.19	32.66
	(iii) NPA Ratios (unaudited)				
	(a) Gross NPA	4,163.65	4,071.04	3,973.74	4,071.04
	(b) Net NPA	1,637.24	1,768.60	1,881.47	1,768.60
	(c) % of Gross NPA to Gross Advances	1.93	1.95	2.24	1.95
	(d) % of Net NPA to Net Advances	0.77	0.86	1.07	0.86
	(iv) Return on average Assets (not annualised) (unaudited)	0.46	0.54	0.48	2.03

NOTES:

1. The consolidated financial results are prepared in accordance with Accounting Standard – 21 (AS-21) "Consolidated Financial Statements" and Accounting Standard – 23 (AS–23) "Accounting for investment in associates in Consolidated Financial Statement" specified under section 133 and relevant provision of Companies Act, 2013.

2. The above results were reviewed by the Audit Committee and approved at the meeting of the Board of Directors held on 19th July, 2018. The consolidated results for the quarter ended 30th June, 2018 were subject to limited review by the statutory auditors and there are no qualifications in the limited review report.

3. Details of other income forming part of the consolidated results are as follows:

₹ crore

Particulars	Quarter Ended			Year Ended
	30-Jun-18 (Unaudited)	31-Mar-18 (Audited)	30-Jun-17 (Unaudited)	31-Mar-18 (Audited)
Commission, fees, exchange, brokerage and others	1,585.29	1,640.83	1,210.31	5,692.79
Profit on sale of investments (other than insurance business)	164.45	163.19	127.22	547.52
Total – Other income	**1,749.74**	**1,804.02**	**1,337.53**	**6,240.31**

4. Other income in the consolidated results for the reporting periods is net of sub-brokerage paid in the broking subsidiary amounting to ₹ 17.28 crore for the quarter ended 30th June, 2018 (for the quarter ended 31st March, 2018 ₹ 19.54 crore, quarter ended 30th June, 2017 ₹ 20.33 crore, for the year ended 31st March, 2018 ₹ 89.64 crore).

5. Other Income includes non-fund based income such as commission earned from guarantees / letters of credit, financial advisory fees, selling of third party products, earnings from foreign exchange transactions and profit / loss from the sale of securities.

6. Details of other expenditure forming part of consolidated results are as follows:

₹ crore

Particulars	Quarter Ended			Year Ended
	30-Jun-18 (Unaudited)	31-Mar-18 (Audited)	30-Jun-17 (Unaudited)	31-Mar-18 (Audited)
Brokerage	128.47	213.61	131.28	664.23
Depreciation	108.82	100.40	93.62	383.43
Rent, taxes and lighting	168.37	170.51	161.37	647.57
Others	974.40	953.28	806.01	3,464.55
Total – Other operating expenses	**1,380.06**	**1,437.80**	**1,192.28**	**5,159.78**

7. Provisions and contingencies are net of recoveries made against accounts which have been written off as bad in the previous period / year. Details of provisions (other than tax) and contingencies forming part of consolidated results are as follows:

₹ crore

Particulars	Quarter Ended			Year Ended
	30-Jun-18 (Unaudited)	31-Mar-18 (Audited)	30-Jun-17 (Unaudited)	31-Mar-18 (Audited)
Provision towards advances / others (including provisions for exposures to entities with Unhedged Foreign Currency Exposures) (net)	272.49	182.69	221.90	815.85
Provision /(Write back of provisions) towards investments (net)	226.49	130.68	10.32	208.89
Total – provisions (other than tax) and contingencies	**498.98**	**313.37**	**232.22**	**1,024.74**

8. RBI circular DBOD.No.BP.BC.1/21.06.201/2015-16 dated 1st July, 2015 on 'Basel III Capital Regulations' read together with the RBI circular DBR.No.BP.BC.80/21.06.201/2014-15 dated 31st March, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards-Amendments' requires banks to make applicable Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III Framework. These disclosures are available on the Bank's website at the following link: http://ir.kotak.com/financials/regulatory- disclosure-section. These disclosures have not been subjected to audit or limited review.

9. The change in the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists, for the quarter ended 30th June 2018 amounting to ₹ 403.47 crores (quarter ended 30th June 2017 amounting to ₹ 564.09 crores, for the quarter and year ended 31st March, 2018 amounting to ₹ 1,019.95 crore and ₹ 3,593.36 crore respectively) has been included in "Policy holders' reserves, surrender expense and claims" under "Operating Expenses".

10. The figures for quarter ended 31st March, 2018 are the balancing figures between audited financial year ended 31st March, 2018 and the unaudited published figures for nine months ended 31st December, 2017.

11. There has been no change in any significant accounting policies during the quarter ended 30th June, 2018.

Figures for the previous periods / year have been regrouped wherever necessary to conform to current period's presentation.

By order of the Board of Directors
For Kotak Mahindra Bank Limited

Dipak Gupta
Joint Managing Director

Mumbai, 19th July, 2018

KOTAK MAHINDRA BANK LIMITED (STANDALONE)
Registered Office: 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE, 2018

₹ crore

Sr No	Particulars	Quarter ended			Year ended
		30-Jun-18 (Unaudited)	31-Mar-18 (Audited)	30-Jun-17 (Unaudited)	31-Mar-18 (Audited)
1	**Interest earned (a+b+c+d)**	**5,479.70**	**5,323.37**	**4,655.78**	**19,748.49**
	(a) Interest/discount on advances/ bills	4,168.18	3,924.45	3,478.15	14,727.95
	(b) Income on investments	1,141.88	1,113.03	885.79	3,933.00
	(c) Interest on balances with RBI & other interbank funds	92.48	183.70	215.27	755.29
	(d) Others	77.16	102.19	76.57	332.25
2	**Other income** (Refer Note 2)	**1,164.59**	**1,151.63**	**906.88**	**4,052.21**
3	**Total income (1+2)**	**6,644.29**	**6,475.00**	**5,562.66**	**23,800.70**
4	Interest expended	2,896.80	2,743.62	2,410.23	10,216.81
5	**Operating expenses (a+b)**	**1,714.96**	**1,713.43**	**1,557.07**	**6,425.72**
	(a) Employee cost	720.42	766.44	706.16	2,929.77
	(b) Other operating expenses	994.54	946.99	850.91	3,495.95
6	**Total expenditure (4+5)** (excluding provisions & contingencies)	**4,611.76**	**4,457.05**	**3,967.30**	**16,642.53**
7	**Operating profit (3-6)** (Profit before provisions and contingencies)	**2,032.53**	**2,017.95**	**1,595.36**	**7,158.17**
8	Provisions (other than tax) and contingencies (Refer Note 3)	469.63	306.91	203.74	939.95
9	Exceptional items	-	-	-	-
10	**Profit from ordinary activities before tax (7-8-9)**	**1,562.90**	**1,711.04**	**1,391.62**	**6,218.22**
11	Tax expense	537.96	586.99	478.89	2,133.92
12	**Net Profit from ordinary activities after tax (10-11)**	**1,024.94**	**1,124.05**	**912.73**	**4,084.30**
13	Extraordinary items (net of tax expense)	-	-	-	-
14	**Net Profit (12-13)**	**1,024.94**	**1,124.05**	**912.73**	**4,084.30**
15	**Paid up equity share capital - (of Face Value ₹ 5 per share)**	**953.07**	**952.82**	**951.75**	**952.82**
16	**Reserves (excluding revaluation reserves)**				**36,528.83**
17	**Analytical Ratios**				
	(i) Percentage of shares held by Government of India	-	-	-	-
	(ii) Capital adequacy ratio – Basel III	17.76	18.22	19.21	18.22
	(iii) Earnings per share				
	- Basic (not annualised) ₹	5.38	5.90	4.88	21.54
	- Diluted (not annualised) ₹	5.37	5.89	4.87	21.51
	(iv) NPA Ratios				
	a) Gross NPA	3,899.45	3,825.38	3,726.62	3,825.38
	b) Net NPA	1,527.14	1,665.05	1,777.93	1,665.05
	c) % of Gross NPA to Gross Advances	2.17	2.22	2.58	2.22
	d) % of Net NPA to Net Advances	0.86	0.98	1.25	0.98
	(v) Return on Assets (average) – not annualised	0.39	0.43	0.42	1.73

Segment Results

The reportable segments of the Bank as per RBI guidelines are as under:

Segment	Principal activity
Corporate/Wholesale Banking	Wholesale borrowings and lending and other related services to the corporate sector which are not included under retail banking.
Retail Banking	Includes lending, deposit taking and other retail services/ products including credit cards.
Treasury, BMU and Corporate Centre	Money market, forex market, derivatives, investments and primary dealership of government securities, Balance Sheet Management Unit (BMU) responsible for Asset Liability Management and Corporate Centre which primarily comprises of support functions.

₹ crore

		Quarter ended			Year ended
		30-Jun-18 (Unaudited)	31-Mar-18 (Audited)	30-Jun-17 (Unaudited)	31-Mar-18 (Audited)
1	**Segment Revenue**				
	a. Corporate/ Wholesale Banking	2,480.70	2,425.15	2,143.79	9,061.32
	b. Retail Banking	3,230.18	3,068.90	2,713.00	11,437.61
	c. Treasury, BMU and Corporate Centre	1,537.10	1,568.66	1,330.64	5,730.26
	Sub-total	**7,247.98**	**7,062.71**	**6,187.43**	**26,229.19**
	Less: Inter-segmental revenue	603.69	587.71	624.77	2,428.49
	Total	**6,644.29**	**6,475.00**	**5,562.66**	**23,800.70**
2	**Segment Results**				
	a. Corporate/ Wholesale Banking	644.55	783.58	732.03	2,984.45
	b. Retail Banking	543.38	499.65	278.53	1,510.71
	c. Treasury, BMU and Corporate Centre	374.97	427.81	381.06	1,723.06
	Total Profit Before Tax	**1,562.90**	**1,711.04**	**1,391.62**	**6,218.22**
3	**Segment Assets**				
	a. Corporate / Wholesale Banking	106,521.93	100,506.20	85,414.24	100,506.20
	b. Retail Banking	149,694.33	143,303.89	126,263.71	143,303.89
	c. Treasury, BMU and Corporate Centre	89,426.05	91,500.50	82,207.04	91,500.50
	d. Other Banking business	-	-	-	-
	Sub-total	**345,642.31**	**335,310.59**	**293,884.99**	**335,310.59**
	Less : Inter-segmental Assets	74,375.99	70,571.48	67,752.96	70,571.48
	Total	**271,266.32**	**264,739.11**	**226,132.03**	**264,739.11**
	Add : Unallocated Assets	222.97	194.28	253.18	194.28
	Total Assets as per Balance Sheet	**271,489.29**	**264,933.39**	**226,385.21**	**264,933.39**
4	**Segment Liabilities**				
	a. Corporate / Wholesale Banking	96,539.31	88,984.44	76,146.83	88,984.44
	b. Retail Banking	137,549.28	132,725.09	116,917.08	132,725.09
	c. Treasury, BMU and Corporate Centre	73,024.67	76,300.61	66,552.22	76,300.61
	d. Other Banking business	-	-	-	-
	Sub-total	**307,113.26**	**298,010.14**	**259,616.13**	**298,010.14**
	Less : Inter-segmental Liabilities	74,375.99	70,571.48	67,752.96	70,571.48
	Total	**232,737.27**	**227,438.66**	**191,863.17**	**227,438.66**
	Add : Unallocated liabilities	213.70	13.08	204.06	13.08
	Add : Share Capital & Reserves & surplus	38,538.32	37,481.65	34,317.98	37,481.65
	Total Liabilities as per Balance Sheet	**271,489.29**	**264,933.39**	**226,385.21**	**264,933.39**

NOTES:

1. The above results were reviewed by the Audit Committee and approved at the meeting of the Board of Directors held on 19th July, 2018. The results for the quarter ended 30th June, 2018 were subject to limited review by the statutory auditors and there are no qualifications in the limited review report.

2. Other Income includes non-fund based income such as commission earned from guarantees / letters of credit, financial advisory fees, selling of third party products, earnings from foreign exchange transactions and profit / loss from the sale of securities.

3. Provisions and contingencies are net of recoveries made against accounts which have been written off as bad in the previous period / year.

   Break up of provisions (other than tax) and contingencies:

₹ crore

Particulars	**Quarter ended**			**Year ended**
	30-Jun-18 (Unaudited)	**31-Mar-18 (Audited)**	**30-Jun-17 (Unaudited)**	**31-Mar-18 (Audited)**
Provision towards advances / Others (including provisions for exposures to entities with Unhedged Foreign Currency Exposures)	260.04	174.94	192.83	743.04
Provision / (write back of provisions) towards investments (net)	209.59	131.97	10.91	196.91
Total provisions (other than Tax) and contingencies	**469.63**	**306.91**	**203.74**	**939.95**

4. During the quarter, the Bank has granted 4,074,350 options under employee stock option scheme. Stock options aggregating to 483,377 were exercised during the quarter and 12,915,924 stock options were outstanding with employees of the Bank and its subsidiaries as at 30th June, 2018.

5. RBI circular DBOD.No.BP.BC.1/21.06.201/2015-16 dated 1st July, 2015 on 'Basel III Capital Regulations' read together with the RBI circular DBR.No.BP.BC.80/21.06.201/2014-15 dated 31st March, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards-Amendments' requires banks to make applicable Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III Framework. These disclosures are available on the Bank's website at the following link: https://www.kotak.com/en/investor-relations/financial-results/regulatory-disclosure.html. These disclosures have not been subjected to audit or limited review.

6. RBI circular DBR.No.BP.BC.102/21.04.048/2017-18 dated 2nd April, 2018 and DBR.No.BP.BC.113/21.04.048/2017-18 dated 15th June,2018 grants banks option to spread provisioning for mark to market losses on investments held in AFS and HFT for the quarters ended 31st December, 2017 , 31st March, 2018 and 30th June, 2018. The circular states that the provisioning for each of these quarters may be spread equally over up to four quarters, commencing with the quarter in which the loss was incurred. The Bank has recognised the entire net mark-to-market loss on investments in the respective quarters and has not availed of the said option.

7. The figures for quarter ended 31st March, 2018 are the balancing figures between audited financial year ended 31st March, 2018 and the unaudited published figures for nine months ended 31st December, 2017.

8. There has been no change in significant accounting policies during the quarter ended 30th June, 2018.

9. Figures for the previous period's / year have been regrouped wherever necessary to conform to current period's / year's presentation.

By order of the Board of Directors
For Kotak Mahindra Bank Limited

Dipak Gupta
Joint Managing Director

Mumbai, 19th July, 2018

ANNEXURE E

1. Related Party Disclosures for FY 2015-16:

A. Parties where control exists:

Nature of relationship	Related Party
Subsidiary Companies	Kotak Mahindra Prime Limited Kotak Securities Limited Kotak Mahindra Capital Company Limited Kotak Mahindra Old Mutual Life Insurance Limited Kotak Mahindra Investments Limited Kotak Mahindra Asset Management Company Limited Kotak Mahindra Trustee Company Limited Kotak Mahindra (International) Limited Kotak Mahindra (UK) Limited Kotak Mahindra Inc. Kotak Investment Advisors Limited Kotak Mahindra Trusteeship Services Limited Kotak Forex Brokerage Limited Kotak Mahindra Pension Fund Limited Kotak Mahindra Financial Services Limited Kotak Mahindra Asset Management (Singapore) Pte. Ltd. Kotak Mahindra General Insurance Limited (Incorporated on December 20, 2014) IVY Product Intermediaries Limited (formerly known as ING Vysya Financial Services Limited)

B. Other Related Parties:

Nature of Relationship	Related Party
Individual having Significant Influence over the enterprise	Mr. Uday S. Kotak along with relatives and enterprises in which he has beneficial interest holds 33.64% of the equity share capital of Kotak Mahindra Bank Limited as on March 31, 2016
Associates / Others	ACE Derivatives and Commodity Exchange Limited. Infina Finance Private Limited Matrix Business Services India Private Limited Phoenix ARC Private Limited Kotak Education Foundation ING Vysya Foundation
Key Management Personnel	Mr. Uday S. Kotak, Executive Vice Chairman and Managing Director Mr. C Jayaram, Joint Managing Director Mr. Dipak Gupta, Joint Managing Director
Enterprises over which KMP / relatives of KMP have control / Significant Influence	Aero Agencies Limited Kotak & Company Private Limited Komaf Financial Services Limited Asian Machinery & Equipment Private Limited. Insurekot Sports Private Limited Kotak Trustee Company Private Limited Cumulus Trading Company Private Limited Palko Properties Private Limited Kotak Chemicals Limited Kotak Ginning & Pressing Industries Limited Kotak Commodity Services Limited

Nature of Relationship	Related Party
	Harisiddha Trading and Finance Private Limited Puma Properties Private Limited Business Standard Private Limited Business Standard Online Limited (From March 27, 2015) Allied Auto Accessories Private Limited Uday S Kotak HUF Suresh A Kotak HUF USK Benefit Trust II
Relatives of Key Management Personnel	Ms. Pallavi Kotak Mr. Suresh Kotak Ms. Indira Kotak Mr. Jay Kotak Mr. Dhawal Kotak Ms. Aarti Chandaria Ms. Anita Gupta Ms. Urmila Gupta Mr. Arnav Gupta Mr. Parthav Gupta Mr. Prabhat Gupta Ms. Jyoti Banga Ms. Usha Jayaram Mr. K. Madhavan Kutty Mr. Vivek Menon Ms. Nayantara Menon Mehta

(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel	Enterprise over which KMP/Relative of KMP have control / significant influence	Relatives of Key Management Personnel	Total
Liabilities						
Deposits	2,694.26	303.17	55.82	436.05	11.43	3,500.73
	(2,016.85)	(235.21)	(26.17)	(109.94)	(10.44)	(2,398.61)
Interest Payable	22.14	2.45	0.41	2.52	0.10	27.62
	(19.47)	(1.90)	(0.42)	(0.59)	(0.18)	(22.56)
Other Liabilities	7.49	#	-	0.01	-	7.50
	(2.23)	(-)	(-)	(-)	(-)	(2.23)
Assets						
Advances	60.00	-	-	-	-	60.00
	(12.60)	(-)	(-)	(-)	(-)	(12.60)
Investments-Gross	1,412.61	33.88	-	#	-	1,446.49
	(1,072.95)	(33.88)	(-)	(#)	(-)	(1,106.83)
Diminution on Investments	2.28	29.82	-	#	-	32.10
	(2.28)	(27.64)	(-)	(#)	(-)	(29.92)
Commission Receivable	24.14	-	-	-	-	24.14
	(15.12)	-	(-)	(-)	(-)	(15.12)
Others	45.95	0.12	-	0.19	-	46.26
	(30.55)	(0.10)	(-)	(-)	(-)	(30.65)
Expenses						
Salaries/fees (Include ESOP)	-	-	10.98	-	-	10.98

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel	Enterprise over which KMP/Relative of KMP have control / significant influence	Relatives of Key Management Personnel	Total
	(-)	(-)	(9.48)	(-)	(-)	(9.48)
Interest Paid	214.69	28.68	4.93	28.10	0.90	277.30
	(179.64)	(28.08)	(1.70)	(5.72)	(0.47)	(215.61)
Others	15.07	10.03	-	4.27	-	29.37
	(42.45)	(8.64)	-	(3.19)	(-)	(54.28)
Income						
Dividend	3.86	-	-	-	-	3.86
	(4.95)	(-)	(-)	(-)	(-)	(4.95)
Interest Received	52.24	-	-	-	-	52.24
	(50.79)	(-)	(-)	(-)	(-)	(50.79)
Others	241.16	0.76	-	0.89	-	242.81
	(156.89)	(0.75)	(-)	(0.01)	(-)	(157.65)
Other Transactions						
Sale of investment	1,431.17	-	-	-	-	1,431.17
	(1,469.48)	(-)	(-)	(-)	(-)	(1,469.48)
Purchase of Investment	1,394.80	-	-	-	-	1,394.80
	(346.59)	(1.59)	(-)	(-)	(-)	(348.18)
Loan disbursed during the year	60.00	-	-	-	-	60.00
	(-)	(30.00)	(-)	(-)	(-)	(30.00)
Loan repaid during the year	-	-	-	-	-	-
	(-)	(30.00)	(-)	(-)	(-)	(30.00)
Dividend paid	-	-	27.69	#	0.17	27.86
	(-)	(-)	(24.60)	(-)	(0.16)	(24.76)
Reimbursement to companies	16.50	0.19	-	0.44	-	17.13
	(14.38)	(0.19)	(-)	(0.39)	(-)	(14.96)
Reimbursement from companies	100.02	0.33	-	-	-	100.35
	(91.55)	(0.71)	(-)	(-)	(-)	(92.26)
Purchase of Fixed assets	0.02	-	-	-	-	0.02
	(0.54)					(0.54)
Sale of Fixed assets	0.68	-	-	-	-	0.68
	(0.61)	(0.20)	(-)	(-)	(-)	(0.81)
Swaps/Forward/ options contracts	0.05	-	-	-	-	0.05
	(-)	(-)	(-)	(-)	(-)	(-)
Guarantees/Lines of credit	100.10	-	-	1.00	-	101.10
	(0.10)	(2.13)	(-)	(-)	(-)	(2.23)
I. Liabilities:						
Other liabilities						
Other Payable						
Kotak Mahindra Prime Limited	1.02	-	-	-	-	1.02
	(0.10)	(-)	(-)	(-)	(-)	(0.10)
Kotak Mahindra Investments Limited	0.04	-	-	-	-	0.04
	(0.38)	(-)	(-)	(-)	(-)	(0.38)
Kotak Securities Ltd	5.88	-	-	-	-	5.88
	(0.61)	(-)	(-)	(-)	(-)	(0.61)
Others	0.55	#	-	0.01	-	0.56
	(1.14)	-	(-)	-	(-)	(1.14)

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel	Enterprise over which KMP/Relative of KMP have control / significant influence	Relatives of Key Management Personnel	Total
II. Assets:						
Investments						
Kotak Mahindra Old Mutual Life Insurance Limited	260.25	-	-	-	-	260.25
	(260.25)	(-)	(-)	(-)	(-)	(260.25)
Kotak Mahindra Prime Limited	646.00	-	-	-	-	646.00
	(526.78)	(-)	(-)	(-)	(-)	(526.78)
Kotak Mahindra Capital Company Limited	65.14	-	-	-	-	65.14
	(65.14)	(-)	(-)	(-)	(-)	(65.14)
Kotak Mahindra Investments Limited	238.03	-	-	-	-	238.03
	(168.03)	(-)	(-)	(-)	(-)	(168.03)
Kotak Mahindra General Insurance Limited	135.00	-	-	-	-	135.00
	(1.05)	(-)	(-)	(-)	(-)	(1.05)
Others	68.19	-	-	#	-	68.19
	(51.70)	(-)	(-)	(#)	(-)	(51.70)
ACE Derivatives and Commodity Exchange Limited	-	33.88	-	-	-	33.88
	(-)	(33.88)	(-)	(-)	(-)	(33.88)
						-
Diminution on Investments						
Kotak Forex Brokerage Limited	2.28	-	-	-	-	2.28
	(2.28)	(-)	(-)	(-)	(-)	(2.28)
ACE Derivatives and Commodity Exchange Limited		29.82	-	-	-	29.82
	(-)	(27.64)	(-)	(-)	(-)	(27.64)
Others	-	-	-	#	-	#
	(-)	(-)	(-))	(#)	(-)	(#)
Commission Receivable						
Kotak Mahindra Old Mutual Life Insurance Limited	24.05	-	-	-	-	24.05
	(15.12)	(-)	(-)	(-)	(-)	(15.12)
Kotak Mahindra General Insurance Limited	0.09	-	-	-	-	0.09
	(-)	(-)	(-)	(-)	(-)	(-)
Others Receivable						
Kotak Mahindra Prime Limited	21.28	-	-	-	-	21.28
	(26.36)	(-)	(-)	(-)	(-)	(26.36)
Kotak Securities Limited	1.28	-	-	-	-	1.28
	(0.93)	(-)	(-)	(-)	(-)	(0.93)
Kotak Investment Advisors Ltd	14.04	-	-	-	-	14.04
	(0.19)	(-)	(-)	(-)	(-)	(0.19)
Kotak Mahindra Old Mutual Life Insurance Limited	5.46	-	-	-	-	5.46

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel	Enterprise over which KMP/Relative of KMP have control / significant influence	Relatives of Key Management Personnel	Total
	(1.09)	(-)	(-)	(-)	(-)	(1.09)
Others	3.89	0.12	-	0.19	-	4.20
	(1.98)	(0.10)	(-)	(-)	(-)	(2.08)
III. Expenses:						
Salaries/fees(Include ESOP)						
Mr. Uday Kotak	-	-	2.70	-	-	2.70
	(-)	(-)	(2.47)	(-)	(-)	(2.47)
Mr. C Jayaram	-	-	4.14	-	-	4.14
	(-)	(-)	(3.00)	(-)	(-)	(3.00)
Mr. Dipak Gupta	-	-	4.14	-	-	4.14
	(-)	(-)	(4.01)	(-)	(-)	(4.01)
Other Expenses						
Brokerage						
Kotak Securities Limited	0.25	-	-	-	-	0.25
	(0.64)	(-)	(-)	(-)	(-)	(0.64)
Kotak Mahindra Financial Services Limited	-	-	-	-	-	-
	(7.90)	(-)	(-)	(-)	(-)	(7.90)
Kotak Forex Brokerage Limited	0.08	-	-	-	-	0.08
	-	(-)	(-)	(-)	(-)	-
Premium						
Kotak Mahindra Old Mutual Life Insurance Limited	2.58	-	-	-	-	2.58
	(1.25)	(-)	(-)	(-)	(-)	(1.25)
Kotak Mahindra General Insurance Limited	0.07	-	-	-	-	0.07
	-	(-)	(-)	(-)	(-)	-
Donations						
Kotak Education Foundation	-	9.64	-	-	-	9.64
	(-)	(5.63)	(-)	(-)	(-)	(5.63)
ING Vysya Foundation	-	-	-	-	-	-
	(-)	(2.60)	(-)	(-)	(-)	(2.60)
Other Expenses:						
Kotak Mahindra Prime Limited	1.25	-	-	-	-	1.25
	(1.10)	(-)	(-)	(-)	(-)	(1.10)
Kotak Mahindra Capital Company Limited	-	-	-	-	-	-
	(31.50)	(-)	(-)	(-)	(-)	(31.50)
Aero Agencies Limited	-	-	-	4.27	-	4.27
	(-)	(-)	(-)	(3.18)	(-)	(3.18)
Kotak & Company Limited	-	-	-	#	-	#
	(-)	(-)	(-)	(0.01)	(-)	(0.01)
Kotak Mahindra Trusteeship Services Limited	0.02	-	-	-	-	0.02

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel	Enterprise over which KMP/Relative of KMP have control / significant influence	Relatives of Key Management Personnel	Total
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Mahindra Financial Services Limited	4.63	-	-	-	-	4.63
	(-)	(-)	(-)	(-)	(-)	(-)
IVY Product Intermediaries Limited	6.19	-	-	-	-	6.19
	NA	(-)	(-)	(-)	(-)	NA
Others	#	0.39	-	-	-	0.39
	(0.06)	(0.41)	(-)	(-)	(-)	(0.47)
IV. Income:						
Dividend						
Kotak Mahindra Asset Management Company Limited	-	-	-	-	-	-
	(4.95)	(-)	(-)	(-)	(-)	(4.95)
Kotak Mahindra Trustee Co Ltd	3.75	-	-	-	-	3.75
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Mahindra Prime Limited	0.11	-	-	-	-	0.11
	(-)	(-)	(-)	(-)	(-)	(-)
Other Income						
Kotak Mahindra Old Mutual Life Insurance Limited	140.98	-	-	-	-	140.98
	(81.73)	(-)	(-)	(-)	(-)	(81.73)
Kotak Mahindra General Insurance Limited	1.11	-	-	-	-	1.11
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Securities Limited	18.96	-	-	-	-	18.96
	(19.15)	(-)	(-)	(-)	(-)	(19.15)
Kotak Mahindra Capital Company Limited	12.33	-	-	-	-	12.33
	(10.48)	(-)	(-)	(-)	(-)	(10.48)
Kotak Mahindra Asset Management Company Limited	20.08	-	-	-	-	20.08
	(14.95)	(-)	(-)	(-)	(-)	(14.95)
Kotak Mahindra Prime Limited	14.74	-	-	-	-	14.74
	(12.87)	(-)	(-)	(-)	(-)	(12.87)
Kotak Investment Advisors Ltd	22.13	-	-	-	-	22.13
	(9.13)	(-)	(-)	(-)	(-)	(9.13)
Others	10.83	0.76	#	0.89	-	12.48
	(8.58)	(0.75)	(-)	(0.01)	(-)	(9.34)
V. Other Transactions:						
Sale of Investment						
Kotak Mahindra Old Mutual Life Insurance Ltd.	283.00	-	-	-	-	283.00
	(1,224.61)	(-)	(-)	(-)	(-)	(1,224.61)
Kotak Mahindra Prime Limited	150.11	-	-	-	-	150.11

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel	Enterprise over which KMP/Relative of KMP have control / significant influence	Relatives of Key Management Personnel	Total
	(225.00)	(-)	(-)	(-)	(-)	(225.00)
Kotak Mahindra Investments Limited	906.78	-	-	-	-	906.78
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Securities Limited	91.28	-	-	-	-	91.28
	(19.87)	(-)	(-)	(-)	(-)	(19.87)
Purchase of Investments						
Kotak Mahindra Old Mutual Life Insurance Ltd.	135.19	-	-	-	-	135.19
	(46.61)	(-)	(-)	(-)	(-)	(46.61)
Kotak Mahindra Prime Limited	313.95	-	-	-	-	313.95
	(225.00)	(-)	(-)	(-)	(-)	(225.00)
Kotak Mahindra Investments Limited	806.71	-	-	-	-	806.71
	(74.98)	(-)	(-)	(-)	(-)	(74.98)
Kotak Mahindra Trusteeship Services Limited	5.00	-	-	-	-	5.00
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Mahindra General Insurance Limited	133.95	-	-	-	-	133.95
	(-)	(-)	(-)	(-)	(-)	(-)
ACE Derivatives and Commodity Exchange Limited	-	-	-	-	-	-
	(-)	(1.59)	(-)	(-)	(-)	(1.59)
Loan Disbursed during the year	-	-	-	-	-	-
Kotak Mahindra Prime Limited	60.00	-	-	-	-	60.00
	(-)	(-)	(-)	(-)	(-)	(-)
Phoenix A R C Private Limited	-	-	-	-	-	-
	(-)	(30.00)	(-)	(-)	(-)	(30.00)
Loan Repaid during the year						
Phoenix A R C Private Limited	-	-	-	-	-	-
	(-)	(30.00)	(-)	(-)	(-)	(30.00)
Dividend paid						
Mr. Uday Kotak	-	-	27.56	-	-	27.56
	(-)	(-)	(24.50)	(-)	(-)	(24.50)
Mr. C. Jayaram	-	-	0.06	-	-	0.06
	(-)	(-)	(0.05)	(-)	(-)	(0.05)
Mr. Dipak Gupta	-	-	0.07	-	-	0.07
	(-)	(-)	(0.05)	(-)	(-)	(0.05)
Ms. Pallavi Kotak	-	-	-	-	0.05	0.05
	(-)	(-)	(-)	(-)	(0.04)	(0.04)
Ms. Indira Kotak	-	-	-	-	0.11	0.11
	(-)	(-)	(-)	(-)	(0.10)	(0.10)
Others	-	-	-	#	0.01	0.01
	(-)	(-)	(-)	(-)	(0.02)	(0.02)

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel	Enterprise over which KMP/Relative of KMP have control / significant influence	Relatives of Key Management Personnel	Total
Reimbursements to companies						
Kotak Mahindra Capital Company Limited	2.13	-	-	-	-	2.13
	(2.45)	(-)	(-)	(-)	(-)	(2.45)
Kotak Mahindra Prime Limited	6.47	-	-	-	-	6.47
	(5.73)	(-)	(-)	(-)	(-)	(5.73)
Kotak Securities Ltd.	7.20	-	-	-	-	7.20
	(5.57)	(-)	(-)	(-)	(-)	(5.57)
Kotak Mahindra Old Mutual Life Insurance Limited	0.27	-	-	-	-	0.27
	(0.21)	(-)	(-)	(-)	(-)	(0.21)
Others	0.43	0.19	-	0.44	-	1.06
	(0.42)	(0.19)		(0.39)		(1.00)
Reimbursements from companies						
Kotak Mahindra Capital Company Limited	3.84	-	-	-	-	3.84
	(6.71)	(-)	(-)	(-)	(-)	(6.71)
Kotak Mahindra Prime Limited	15.57	-	-	-	-	15.57
	(15.98)	(-)	(-)	(-)	(-)	(15.98)
Kotak Mahindra Old Mutual Life Insurance Limited	14.91	-	-	-	-	14.91
	(14.37)	(-)	(-)	(-)	(-)	(14.37)
Kotak Securities Limited	50.66	-	-	-	-	50.66
	(36.69)	(-)	(-)	(-)	(-)	(36.69)
Kotak Mahindra Investments Limited	5.28	-	-	-	-	5.28
	(7.53)	(-)	(-)	(-)	(-)	(7.53)
Others	9.76	0.33	-	-	-	10.09
	(10.27)	(0.71)	(-)	(-)	(-)	(10.98)
Purchase of Fixed assets						
Kotak Mahindra Prime Limited	0.01	-	-	-	-	0.01
	(0.01)	(-)	(-)	(-)	(-)	(0.01)
Kotak Securities Limited	-	-	-	-	-	-
	(0.53)	(-)	(-)	(-)	(-)	(0.53)
Kotak Forex Brokerage Limited	0.01	-	-	-	-	0.01
	(-)	(-)	(-)	(-)	(-)	(-)
Sale of Fixed assets						
Kotak Mahindra General Insurance Limited	0.47	-	-	-	-	0.47
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Securities Limited	-	-	-	-	-	-
	(0.38)					(0.38)
Kotak Mahindra Prime Limited	-	-	-	-	-	-
	(0.01)	(-)	(-)	(-)	(-)	(0.01)
Kotak Mahindra, Inc	#	-	-	-	-	#

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel	Enterprise over which KMP/Relative of KMP have control / significant influence	Relatives of Key Management Personnel	Total
	-	(-)	(-)	(-)	(-)	-
Kotak Mahindra Investments Limited	0.21	-	-	-	-	0.21
	(0.22)	(-)	(-)	(-)	(-)	(0.22)
Phoenix ARC Private Ltd	-	-	-	-	-	-
	(-)	(0.20)	(-)	(-)	(-)	(0.20)
Swaps/Forward /Options contract						
Kotak Mahindra (International) Ltd	0.05	-	-	-	-	0.05
	(-)	(-)	(-)	(-)	(-)	(-)
Guarantees/Lines of credit						
Kotak Securities Limited	100.00	-	-	-	-	100.00
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Mahindra Pension Fund Ltd.	0.10	-	-	-	-	0.10
	(0.10)	(-)	(-)	(-)	(-)	(0.10)
Aero Agencies Limited	-	-	-	1.00	-	1.00
	(-)	(-)	(-)	(-)	(-)	(-)
ACE Derivatives and Commodity Exchange Limited	-	-	-	-	-	-
	(-)	(2.13)	(-)	(-)	(-)	(2.13)

Note:

1. *Figures in brackets represent previous year's figures.*
2. *The above does not include any transactions in relation to listed securities done on recognised stock exchange during the year. However above includes transactions done on NDS with known related parties.*
3. *# in the above table denotes amounts less than* ₹ 50,000.

Maximum Balance outstanding during the year

(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel	Enterprise over which KMP/Relative of KMP have control / significant influence	Relatives of Key Management Personnel
Liabilities					
Deposits	6,238.54	2,809.78	87.66	713.15	14.61
	(3,840.15)	(2,778.09)	(34.25)	(161.93)	(17.65)
Other Liabilities	33.45	2.47	0.41	2.53	0.10
	(3.98)	(0.11)	(-)	(-)	(-)
Assets					
Advances	320.55	-	-	-	-
	(432.03)	(30.00)	(-)	(-)	(-)
Investments-Gross	1,412.61	33.88	-	-	-
	(1072.95)	(33.88)	(-)	(-)	(-)
Commission Receivable	24.14	-	-	-	-
	(15.12)	(-)	(-)	(-)	(-)
Others	90.95	0.20	-	0.19	-

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel	Enterprise over which KMP/Relative of KMP have control / significant influence	Relatives of Key Management Personnel
	(25.64)	(0.37)	(-)	(-)	(-)

2. Related Party Disclosures for FY 2016-17:

A. Parties where control exists:

Nature of relationship	Related Party
Subsidiary Companies	Kotak Mahindra Prime Limited Kotak Securities Limited Kotak Mahindra Capital Company Limited Kotak Mahindra Old Mutual Life Insurance Limited Kotak Mahindra Investments Limited Kotak Mahindra Asset Management Company Limited Kotak Mahindra Trustee Company Limited Kotak Mahindra (International) Limited Kotak Mahindra (UK) Limited Kotak Mahindra Inc. Kotak Investment Advisors Limited Kotak Mahindra Trusteeship Services Limited Kotak Infrastructure Debt Fund Limited (formerly known as Kotak Forex Brokerage Limited) Kotak Mahindra Pension Fund Limited Kotak Mahindra Financial Services Limited Kotak Mahindra Asset Management (Singapore) Pte. Ltd. Kotak Mahindra General Insurance Company Limited IVY Product Intermediaries Limited (formerly known as ING Vysya Financial Services Limited)

B. Other Related Parties:

Nature of Relationship	Related Party
Individual having significant influence over the enterprise	Mr. Uday S. Kotak along with relatives and enterprises in which he has beneficial interest holds 32.02% of the equity share capital of Kotak Mahindra Bank Limited as on March 31, 2017
Associates / Others	ACE Derivatives and Commodity Exchange Limited Infina Finance Private Limited Matrix Business Services India Private Limited Phoenix ARC Private Limited Kotak Education Foundation ING Vysya Foundation
Key Management Personnel (KMP)	Mr. Uday S. Kotak, Executive Vice Chairman and Managing Director Mr. C Jayaram, Joint Managing Director (upto April 30, 2016) Mr. Dipak Gupta, Joint Managing Director
Enterprises over which KMP / relatives of KMP have control / significant influence	Aero Agencies Limited Kotak and Company Private Limited Komaf Financial Services Private Limited Asian Machinery & Equipment Private Limited Insurekot Sports Private Limited Kotak Trustee Company Private Limited

Nature of Relationship	Related Party
	Cumulus Trading Company Private Limited Palko Properties Private Limited Kotak Chemicals Limited Kotak Ginning & Pressing Industries Private Limited Kotak Commodities Services Private Limited Harisiddha Trading and Finance Private Limited Puma Properties Private Limited Business Standard Private Limited Business Standard Online Private Limited Allied Auto Accessories Private Limited Uday S Kotak HUF Suresh A Kotak HUF USK Benefit Trust II
Relatives of KMP	Ms. Pallavi Kotak Mr. Suresh Kotak Ms. Indira Kotak Mr. Jay Kotak Mr. Dhawal Kotak Ms. Aarti Chandaria Ms. Anita Gupta Ms. Urmila Gupta Mr. Arnav Gupta Mr. Parthav Gupta Mr. Prabhat Gupta Ms. Jyoti Banga Ms. Usha Jayaram (upto April 30, 2016) Mr. K. Madhavan Kutty (upto April 30, 2016) Mr. Vivek Menon (upto April 30, 2016) Ms. Nayantara Menon Mehta (upto April 30, 2016)

(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel (KMP)	Enterprise over which KMP/Relative of KMP have control / significant influence	Relatives of KMP	Total
Liabilities						
Deposits	1,885.86	201.86	127.80	249.13	11.58	2,476.23
	(2,694.26)	(303.17)	(55.82)	(436.05)	(11.43)	(3,500.73)
Borrowings	10.00	-	-	-	-	10.00
	(-)	(-)	(-)	(-)	(-)	(-)
Interest Payable	11.96	1.34	0.90	1.73	0.07	16.00
	(22.14)	(2.45)	(0.41)	(2.52)	(0.10)	(27.62)
Other Liabilities	1.15	0.12	-	-	-	1.27
	(3.57)	(#)	(-)	(0.01)	(-)	(3.58)
Assets						
Advances	60.43	-	-	-	-	60.43
	(60.00)	(-)	(-)	(-)	(-)	(60.00)
Investments-Gross	1,267.31	33.88	-	#	-	1,301.19
	(1,412.61)	(33.88)	(-)	(#)	(-)	(1,446.49)
Diminution on Investments	2.28	29.82	-	#	-	32.10

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel (KMP)	Enterprise over which KMP/Relative of KMP have control / significant influence	Relatives of KMP	Total
	(2.28)	(29.82)	(-)	(#)	(-)	(32.10)
Commission Receivable	34.43	-	-	-	-	34.43
	(24.14)	(-)	(-)	(-)	(-)	(24.14)
Others	71.34	0.03	-	-	-	71.37
	(49.86)	(0.12)	(-)	(0.19)	(-)	(50.17)
Expenses						
Salaries/fees (Include ESOP)	-	-	7.83	-	-	7.83
	(-)	(-)	(10.98)	(-)	(-)	(10.98)
Interest Paid	174.14	61.93	6.10	26.21	0.93	269.31
	(214.69)	(28.68)	(4.93)	(28.10)	(0.90)	(277.30)
Others	11.70	13.33	-	4.50	-	29.53
	(15.07)	(10.03)	(-)	(4.27)	(-)	(29.37)
Income						
Dividend	3.42	-	-	-	-	3.42
	(3.86)	(-)	(-)	(-)	(-)	(3.86)
Interest Received	41.06	-	-	-	-	41.06
	(52.24)	(-)	(-)	(-)	(-)	(52.24)
Others	286.11	0.10	-	0.89	-	287.10
	(241.16)	(0.76)	(-)	(0.89)	(-)	(242.81)
Other Transactions						
Sale of investment	435.59	-	-	-	-	435.59
	(1,431.17)	(-)	(-)	(-)	(-)	(1,431.17)
Purchase of Investment	563.07	-	-	-	-	563.07
	(1,394.80)	(-)	(-)	(-)	(-)	(1,394.80)
Loan disbursed during the year	1194.78	-	-	-	-	1194.78
	(60.00)	(-)	(-)	(-)	(-)	(60.00)
Loan repaid during the year	1194.78	-	-	-	-	1194.78
	(-)	(-)	(-)	(-)	(-)	(-)
Loan portfolio acquired under Assignment	247.35	-	-	-	-	247.35
	(-)	(-)	(-)	(-)	(-)	(-)
Dividend paid	-	-	30.69	0.04	0.19	30.92
	(-)	(-)	(27.69)	(#)	(0.17)	(27.86)
Reimbursement to companies	20.59	0.09	-	0.15	-	20.83
	(16.50)	(0.19)	(-)	(0.44)	(-)	(17.13)
Reimbursement from companies	134.81	0.16	-	-	-	134.97
	(100.02)	(0.33)	(-)	(-)	(-)	(100.35)
Purchase of Fixed assets	0.43	-	-	-	-	0.43
	(0.02)	(-)	(-)	(-)	(-)	(0.02)
Sale of Fixed assets	0.29	-	-	-	-	0.29
	(0.68)	(-)	(-)	(-)	(-)	(0.68)
Swaps/Forward/ options	3787.74	-	-	-	-	3787.74

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel (KMP)	Enterprise over which KMP/Relative of KMP have control / significant influence	Relatives of KMP	Total
contracts						
	(0.05)	(-)	(-)	(-)	(-)	(0.05)
Guarantees/Lines of credit	100.00	-	-	-	-	100.00
	(100.10)	(-)	(-)	(1.00)	(-)	(101.10)
I. Liabilities:						
Other liabilities						
Other Payable						
Kotak Mahindra Prime Limited	0.54	-	-	-	-	0.54
	(1.02)	(-)	(-)	(-)	(-)	(1.02)
Kotak Mahindra Investments Limited	0.04	-	-	-	-	0.04
	(0.04)	(-)	(-)	(-)	(-)	(0.04)
Kotak Securities Ltd	#	-	-	-	-	#
	(0.78)	(-)	(-)	(-)	(-)	(0.78)
Others	0.56	0.12	-	#	-	0.68
	(1.74)	(#)	(-)	(0.01)	(-)	(1.75)
II. Assets:						
Investments						
Kotak Mahindra Old Mutual Life Insurance Limited	260.25	-	-	-	-	260.25
	(260.25)	(-)	(-)	(-)	(-)	(260.25)
Kotak Mahindra Prime Limited	411.80	-	-	-	-	411.80
	(646.00)	(-)	(-)	(-)	(-)	(646.00)
Kotak Mahindra Capital Company Limited	65.14	-	-	-	-	65.14
	(65.14)	(-)	(-)	(-)	(-)	(65.14)
Kotak Mahindra Investments Limited	238.03	-	-	-	-	238.03
	(238.03)	(-)	(-)	(-)	(-)	(238.03)
Kotak Mahindra General Insurance Limited	135.00	-	-	-	-	135.00
	(135.00)	(-)	(-)	(-)	(-)	(135.00)
Others	157.10	-	-	#	-	157.10
	(68.19)	(-)	(-)	(#)	(-)	(68.19)
ACE Derivatives and Commodity Exchange Limited	-	33.88	-	-	-	33.88
	(-)	(33.88)	(-)	(-)	(-)	(33.88)
						-
Diminution on Investments						
Kotak Infrastructure Debt	2.28	-	-	-	-	2.28

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel (KMP)	Enterprise over which KMP/Relative of KMP have control / significant influence	Relatives of KMP	Total
Fund Limited						
	(2.28)	(-)	(-)	(-)	(-)	(2.28)
ACE Derivatives and Commodity Exchange Limited	-	29.82	-	-	-	29.82
	(-)	(29.82)	(-)	(-)	(-)	(29.82)
Business Standard Private Ltd	-	-	-	#	-	#
	(-)	(-)	(-))	(#)	(-)	(#)
Commission Receivable						
Kotak Mahindra Old Mutual Life Insurance Limited	34.10	-	-	-	-	34.10
	(24.05)	(-)	(-)	(-)	(-)	(24.05)
Kotak Mahindra General Insurance Limited	0.33	-	-	-	-	0.33
	(0.09)	(-)	(-)	(-)	(-)	(0.09)
Others Receivable						
Kotak Mahindra Prime Limited	29.64	-	-	-	-	29.64
	(21.28)	(-)	(-)	(-)	(-)	(21.28)
Kotak Securities Limited	9.09	-	-	-	-	9.09
	(6.37)	(-)	(-)	(-)	(-)	(6.37)
Kotak Investment Advisors Ltd	16.89	-	-	-	-	16.89
	(14.04)	(-)	(-)	(-)	(-)	(14.04)
Kotak Mahindra Old Mutual Life Insurance Limited	8.35	-	-	-	-	8.35
	(5.46)	(-)	(-)	(-)	(-)	(5.46)
Others	7.37	0.03	-	#	-	7.40
	(2.70)	(0.12)	(-)	(0.19)	(-)	(3.01)
III. Expenses:						
Salaries/fees(Include ESOP)						
Mr. Uday Kotak	-	-	2.85	-	-	2.85
	(-)	(-)	(2.70)	(-)	(-)	(2.70)
Mr. C Jayaram	-	-	0.78	-	-	0.78
	(-)	(-)	(4.14)	(-)	(-)	(4.14)
Mr. Dipak Gupta	-	-	4.20	-	-	4.20
	(-)	(-)	(4.14)	(-)	(-)	(4.14)
Other Expenses						
Brokerage						
Kotak Securities Limited	0.08	-	-	-	-	0.08
	(0.25)	(-)	(-)	(-)	(-)	(0.25)

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel (KMP)	Enterprise over which KMP/Relative of KMP have control / significant influence	Relatives of KMP	Total
Kotak Infrastructure Debt Fund Limited	-	-	-	-	-	-
	(0.08)	(-)	(-)	(-)	(-)	(0.08)
Premium						
Kotak Mahindra Old Mutual Life Insurance Limited	3.03	-	-	-	-	3.03
	(2.58)	(-)	(-)	(-)	(-)	(2.58)
Kotak Mahindra General Insurance Limited	1.67	-	-	-	-	1.67
	(0.07)	(-)	(-)	(-)	(-)	(0.07)
Donations						
Kotak Education Foundation	-	13.03	-	-	-	13.03
	(-)	(9.64)	(-)	(-)	(-)	(9.64)
Others						
Kotak Mahindra Prime Limited	2.82	-	-	-	-	2.82
	(1.25)	(-)	(-)	(-)	(-)	(1.25)
Kotak Infrastructure Debt Fund Limited	0.03	-	-	-	-	0.03
	(-)	(-)	(-)	(-)	(-)	(-)
Aero Agencies Limited	-	-	-	4.48	-	4.48
	(-)	(-)	(-)	(4.27)	(-)	(4.27)
Kotak & Company Limited	-	-	-	0.03	-	0.03
	(-)	(-)	(-)	(#)	(-)	(#)
Kotak Mahindra Trusteeship Services Limited	-	-	-	-	-	-
	(0.02)	(-)	(-)	(-)	(-)	(0.02)
Kotak Mahindra Financial Services Limited	4.39	-	-	-	-	4.39
	(4.63)	(-)	(-)	(-)	(-)	(4.63)
IVY Product Intermediaries Limited	(0.32)	-	-	-	-	(0.32)
	(6.19)	(-)	(-)	(-)	(-)	(6.19)
Others	-	0.30	-	-	-	0.30
	(#)	(0.39)	(-)	(-)	(-)	(0.39

IV. Income:						
Dividend						
IVY Product Intermediaries Limited	3.32	-	-	-	-	3.32
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Mahindra Trustee Co	-	-	-	-	-	-

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel (KMP)	Enterprise over which KMP/Relative of KMP have control / significant influence	Relatives of KMP	Total
Ltd						
	(3.75)	(-)	(-)	(-)	(-)	(3.75)
Kotak Mahindra Prime Limited	0.11	-	-	-	-	0.11
	(0.11)	(-)	(-)	(-)	(-)	(0.11)
Other Income						
Kotak Mahindra Old Mutual Life Insurance Limited	165.10	-	-	-	-	165.10
	(140.98)	(-)	(-)	(-)	(-)	(140.98)
Kotak Mahindra General Insurance Limited	5.52	-	-	-	-	5.52
	(1.11)	(-)	(-)	(-)	(-)	(1.11)
Kotak Securities Limited	22.72	-	-	-	-	22.72
	(18.96)	(-)	(-)	(-)	(-)	(18.96)
Kotak Mahindra Capital Company Limited	9.96	-	-	-	-	9.96
	(12.33)	(-)	(-)	(-)	(-)	(12.33)
Kotak Mahindra Asset Management Company Limited	38.70	-	-	-	-	38.70
	(20.08)	(-)	(-)	(-)	(-)	(20.08)
Kotak Mahindra Prime Limited	13.07	-	-	-	-	13.07
	(14.74)	(-)	(-)	(-)	(-)	(14.74)
Kotak Investment Advisors Ltd	22.60	-	-	-	-	22.60
	(22.13)	(-)	(-)	(-)	(-)	(22.13)
Others	8.42	0.10	#	0.89	-	9.41
	(10.83)	(0.76)	(#)	(0.89)	(-)	(12.48)
V. Other Transactions:						
Sale of Investment						
Kotak Mahindra Old Mutual Life Insurance Ltd.	117.90	-	-	-	-	117.90
	(283.00)	(-)	(-)	(-)	(-)	(283.00)
Kotak Mahindra Prime Limited	225.00	-	-	-	-	225.00
	(150.11)	(-)	(-)	(-)	(-)	(150.11)
Kotak Mahindra Investments Limited	92.69	-	-	-	-	92.69
	(906.78)	(-)	(-)	(-)	(-)	(906.78)
Kotak Securities Limited	-	-	-	-	-	-
	(91.28)	(-)	(-)	(-)	(-)	(91.28)
Purchase of Investments						

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel (KMP)	Enterprise over which KMP/Relative of KMP have control / significant influence	Relatives of KMP	Total
Kotak Mahindra Old Mutual Life Insurance Ltd.	21.15	-	-	-	-	21.15
	(135.19)	(-)	(-)	(-)	(-)	(135.19)
Kotak Mahindra Prime Limited	350.00	-	-	-	-	350.00
	(313.95)	(-)	(-)	(-)	(-)	(313.95)
Kotak Infrastructure Debt Fund Limited	88.90	-	-	-	-	88.90
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Mahindra Investments Limited	92.69	-	-	-	-	92.69
	(806.71)	(-)	(-)	(-)	(-)	(806.71)
Kotak Mahindra Trusteeship Services Limited	-	-	-	-	-	-
	(5.00)	(-)	(-)	(-)	(-)	(5.00)
Kotak Mahindra General Insurance Limited	10.33	-	-	-	-	10.33
	(133.95)	(-)	(-)	(-)	(-)	(133.95)
Loan Disbursed during the year						
Kotak Mahindra Prime Limited	60.00	-	-	-	-	60.00
	(60.00)	(-)	(-)	(-)	(-)	(60.00)
Kotak Mahindra (International) Limited	1134.78	-	-	-	-	1134.78
	(-)	(-)	(-)	(-)	(-)	(-)
Loan Repaid during the year						
Kotak Mahindra (International) Limited	1134.78	-	-	-	-	1134.78
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Mahindra Prime Limited	60.00	-	-	-	-	60.00
	(-)	(-)	(-)	(-)	(-)	(-)
Loan portfolio acquired under Assignment						
Kotak Mahindra Prime Limited	247.35	-	-	-	-	247.35
	(-)	(-)	(-)	(-)	(-)	(-)
Dividend paid						
Mr. Uday Kotak	-	-	30.63	-	-	30.63
	(-)	(-)	(27.56)	(-)	(-)	(27.56)
Mr. C.Jayaram	-	-	-	-	-	-
	(-)	(-)	(0.06)	(-)	(-)	(0.06)

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel (KMP)	Enterprise over which KMP/Relative of KMP have control / significant influence	Relatives of KMP	Total
Mr. Dipak Gupta	-	-	0.07	-	-	0.07
	(-)	(-)	(0.07)	(-)	(-)	(0.07)
Ms. Pallavi Kotak	-	-	-	-	0.06	0.06
	(-)	(-)	(-)	(-)	(0.05)	(0.05)
Ms. Indira Kotak	-	-	-	-	0.12	0.12
	(-)	(-)	(-)	(-)	(0.11)	(0.11)
Others	-	-	-	0.04	0.01	0.05
	(-)	(-)	(-)	(#)	(0.01)	(0.01)
Reimbursements to companies						
Kotak Mahindra Capital Company Limited	2.53	-	-	-	-	2.53
	(2.13)	(-)	(-)	(-)	(-)	(2.13)
Kotak Mahindra Prime Limited	5.92	-	-	-	-	5.92
	(6.47)	(-)	(-)	(-)	(-)	(6.47)
Kotak Securities Ltd.	10.22	-	-	-	-	10.22
	(7.20)	(-)	(-)	(-)	(-)	(7.20)
Kotak Mahindra Old Mutual Life Insurance Limited	0.43	-	-	-	-	0.43
	(0.27)	(-)	(-)	(-)	(-)	(0.27)
Others	1.49	0.09	-	0.15	-	1.73
	(0.43)	(0.19)	(-)	(0.44)	(-)	(1.06)
Reimbursements from companies						
Kotak Mahindra Capital Company Limited	6.84	-	-	-	-	6.84
	(3.84)	(-)	(-)	(-)	(-)	(3.84)
Kotak Mahindra Prime Limited	18.16	-	-	-	-	18.16
	(15.57)	(-)	(-)	(-)	(-)	(15.57)
Kotak Mahindra Old Mutual Life Insurance Limited	18.92	-	-	-	-	18.92
	(14.91)	(-)	(-)	(-)	(-)	(14.91)
Kotak Securities Limited	62.12	-	-	-	-	62.12
	(50.66)	(-)	(-)	(-)	(-)	(50.66)
Kotak Mahindra Investments Limited	8.22	-	-	-	-	8.22
	(5.28)	(-)	(-)	(-)	(-)	(5.28)
Others	20.55	0.16	-	-	-	20.71
	(9.76)	(0.33)	(-)	(-)	(-)	(10.09)
Purchase of Fixed assets						

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel (KMP)	Enterprise over which KMP/Relative of KMP have control / significant influence	Relatives of KMP	Total
Kotak Mahindra Prime Limited	0.02	-	-	-	-	0.02
	(0.01)	(-)	(-)	(-)	(-)	(0.01)
Kotak Securities Limited	0.11	-	-	-	-	0.11
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Infrastructure Debt Fund Limited	#	-	-	-	-	#
	(0.01)	(-)	(-)	(-)	(-)	(0.01)
Kotak Mahindra Old Mutual Life Insurance Limited	0.14	-	-	-	-	0.14
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Mahindra Asset Management Company Limited	0.14	-	-	-	-	0.14
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Mahindra Capital Company Limited	#	-	-	-	-	#
	(-)	(-)	(-)	(-)	(-)	(-)
Sale of Fixed assets						
Kotak Mahindra General Insurance Limited	-	-	-	-	-	-
	(0.47)	(-)	(-)	(-)	(-)	(0.47)
Kotak Investment Advisors Limited	0.23	-	-	-	-	0.23
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Mahindra Asset Management Company Limited	0.06	-	-	-	-	0.06
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Mahindra, Inc	-	-	-	-	-	-
	(#)	(-)	(-)	(-)	(-)	(#)
Kotak Mahindra Investments Limited	-	-	-	-	-	-
	(0.21)	(-)	(-)	(-)	(-)	(0.21)
Kotak Mahindra Old Mutual Life Insurance Limited	#	-	-	-	-	#
	(-)	(-)	(-)	(-)	(-)	(-)
Swaps/Forward /Options contract						
Kotak Mahindra (International) Ltd	3,787.74	-	-	-	-	3,787.74
	(0.05)	(-)	(-)	(-)	(-)	(0.05)
Guarantees/Lines of credit						
Kotak Securities Limited	100.00	-	-	-	-	100.00

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel (KMP)	Enterprise over which KMP/Relative of KMP have control / significant influence	Relatives of KMP	Total
	(100.00)	(-)	(-)	(-)	(-)	(100.00)
Kotak Mahindra Pension Fund Ltd.	-	-	-	-	-	-
	(0.10)	(-)	(-)	(-)	(-)	(0.10)
Aero Agencies Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(1.00)	(-)	(1.00)

Note:

1. *Figures in brackets represent previous year's figures.*
2. *The above does not include any transactions in relation to listed securities done on recognised stock exchange during the year. However above includes transactions done on NDS with known related parties.*
3. *# in the above table denotes amounts less than* ₹ 50,000.

Maximum Balance outstanding during the year

(in crore)

Items/Related Party	Subsidiary Companies	Associates/Others	Key Management Personnel	Enterprise over which KMP/Relative of KMP have control / significant influence	Relatives of Key Management Personnel
Liabilities					
Deposits	8714.93	5902.00	149.22	522.73	55.70
	(6,238.54)	(2,809.78)	(87.66)	(713.15)	(14.61)
Borrowings	10.00				
	(-)				
Other Liabilities	44.40	2.84	1.03	10.94	0.38
	(28.36)	(2.47)	(0.41)	(2.53)	(0.10)
Assets					
Advances	302.77	-	-	0.04	-
	(320.55)	(-)	(-)	(-)	(-)
Investments-Gross	1267.31	33.88	-	-	-
	(1,412.61)	(33.88)	(-)	(-)	(-)
Commission Receivable	34.43	-	-	-	-
	(24.14)	(-)	(-)	(-)	(-)
Others	100.80	0.14	-	0.19	-
	(96.05)	(0.20)	-	(0.19)	-

3. Related Party Disclosures for FY 2017-18:

A. Parties where control exists:

Nature of relationship	Related Party
Subsidiary Companies	Kotak Mahindra Prime Limited Kotak Securities Limited Kotak Mahindra Capital Company Limited Kotak Mahindra Life Insurance Company Limited (formerly known as

Nature of relationship	Related Party
	Kotak Mahindra Old Mutual Life Insurance Limited) Kotak Mahindra Investments Limited Kotak Mahindra Asset Management Company Limited Kotak Mahindra Trustee Company Limited Kotak Mahindra (International) Limited Kotak Mahindra (UK) Limited Kotak Mahindra Inc. Kotak Investment Advisors Limited Kotak Mahindra Trusteeship Services Limited Kotak Infrastructure Debt Fund Limited Kotak Mahindra Pension Fund Limited Kotak Mahindra Financial Services Limited Kotak Mahindra Asset Management (Singapore) Pte. Ltd. Kotak Mahindra General Insurance Company Limited IVY Product Intermediaries Limited BSS Microfinance Limited (formerly known as BSS Microfinance Private Limited) (w.e.f September 27, 2017)

B. Other Related Parties:

Nature of Relationship	Related Party
Individual having significant influence over the enterprise	Mr. Uday S. Kotak along with relatives and enterprises in which he has beneficial interest holds 30.04% of the equity share capital of Kotak Mahindra Bank Limited as on March 31, 2018
Associates / Others	ACE Derivatives and Commodity Exchange Limited. Infina Finance Private Limited Matrix Business Services India Private Limited Phoenix ARC Private Limited Kotak Education Foundation ING Vysya Foundation
Key Management Personnel (KMP)	Mr. Uday S. Kotak, Executive Vice Chairman and Managing Director Mr. C Jayaram, Joint Managing Director (upto April 30, 2016) Mr. Dipak Gupta, Joint Managing Director
Enterprises over which KMP / relatives of KMP have control / significant influence	Aero Agencies Limited Kotak and Company Private Limited Komaf Financial Services Private Limited Asian Machinery & Equipment Private Limited. Insurekot Sports Private Limited Kotak Trustee Company Private Limited Cumulus Trading Company Private Limited Palko Properties Private Limited Kotak Chemicals Limited Kotak Ginning & Pressing Industries Private Limited Kotak Commodities Services Private Limited Harisiddha Trading and Finance Private Limited Puma Properties Private Limited Business Standard Private Limited Business Standard Online Private Limited Allied Auto Accessories Private Limited Uday S Kotak HUF Suresh A Kotak HUF USK Benefit Trust II Kotak Family Foundation (w.e.f. May 2, 2017) Helena Realty Private Limited (w.e.f. February 2, 2018)

Nature of Relationship	Related Party
	Doreen Realty Private Limited (w.e.f. February 15, 2018) Renato Realty Private Limited (w.e.f. February 15, 2018) Pine Tree Estates Private Limited (w.e.f. March 20, 2018) Meluha Developers Private Limited (w.e.f. March 20, 2018) Quantyco Realty Private Limited (w.e.f. March 16, 2018) Xanadu Properties Private Limited (w.e.f. March 20, 2018)
Relatives of KMP	Ms. Pallavi Kotak Mr. Suresh Kotak Ms. Indira Kotak Mr. Jay Kotak Mr. Dhawal Kotak Ms. Aarti Chandaria Ms. Anita Gupta Ms. Urmila Gupta Mr. Arnav Gupta Mr. Parthav Gupta Mr. Prabhat Gupta Ms. Jyoti Banga Ms. Usha Jayaram (upto April 30, 2016) Mr. K. Madhavan Kutty (upto April 30, 2016) Mr. Vivek Menon (upto April 30, 2016) Ms. Nayantara Menon Mehta (upto April 30, 2016)

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel (KMP)	Enterprise over which KMP/Relative of KMP have control / significant influence	Relatives of KMP	Total
Liabilities						
Deposits	1,407.47	57.75	128.35	134.45	1.99	1,730.01
	(1,885.86)	(201.86)	(127.80)	(249.13)	(11.58)	(2,476.23)
Borrowings	-	-	-	-	-	-
	(10.00)	(-)	(-)	(-)	(-)	(10.00)
Interest Payable	8.21	0.05	0.95	1.37	0.01	10.59
	(11.96)	(1.34)	(0.90)	(1.73)	(0.07)	(16.00)
Other Liabilities	14.42	0.01	-	0.30	-	14.73
	(1.15)	(0.12)	(-)	(-)	(-)	(1.27)
Assets						
Advances	#	-	-	-	-	#
	(60.43)	(-)	(-)	(-)	(-)	(60.43)
Investments-Gross	3,072.15	33.88	-	#	-	3,106.03
	(1,267.31)	(33.88)	(-)	(#)	(-)	(1,301.19)
Diminution on Investments	-	29.82	-	#	-	29.82
	(2.28)	(29.82)	(-)	(#)	(-)	(32.10)
Commission Receivable	43.81	-	-	-	-	43.81
	(34.43)	(-)	(-)	(-)	(-)	(34.43)
Others	69.58	0.04	-	0.07	-	69.69
	(71.34)	(0.03)	(-)	(-)	(-)	(71.37)
Expenses						
Salaries/fees (Include ESOP)	-	-	8.06	-	-	8.06

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel (KMP)	Enterprise over which KMP/Relative of KMP have control / significant influence	Relatives of KMP	Total
	(-)	(-)	(7.83)	(-)	(-)	(7.83)
Interest Paid	88.37	38.23	12.02	15.38	0.31	154.31
	(174.14)	(61.93)	(6.10)	(26.21)	(0.93)	(269.31)
Others	27.85	19.00	-	4.51	-	51.36
	(11.70)	(13.33)	(-)	(4.50)	(-)	(29.53)
Income						
Dividend	7.61	-	-	-	-	7.61
	(3.42)	(-)	(-)	(-)	(-)	(3.42)
Interest Received	44.23	-	-	-	-	44.23
	(41.06)	(-)	(-)	(-)	(-)	(41.06)
Others	319.71	0.10	#	0.87	-	320.68
	(286.11)	(0.10)	(-)	(0.89)	(-)	(287.10)
Other Transactions						
Sale of investment	180.27	-	-	-	-	180.27
	(435.59)	(-)	(-)	(-)	(-)	(435.59)
Purchase of Investment	821.57	-	-	-	-	821.57
	(563.07)	(-)	(-)	(-)	(-)	(563.07)
Loan disbursed during the year	1,820.23	-	-	-	-	1,820.23
	(1,194.78)	(-)	(-)	(-)	(-)	(1,194.78)
Loan repaid during the year	1,881.48	-	-	-	-	1,881.48
	(1,194.78)	(-)	(-)	(-)	(-)	(1,194.78)
Loan portfolio acquired under Assignment	-	-	-	-	-	-
	(247.35)	(-)	(-)	(-)	(-)	(247.35)
Dividend paid	-	-	34.10	0.04	0.22	34.36
	(-)	(-)	(30.69)	(0.04)	(0.19)	(30.92)
Reimbursement to companies	20.06	-	-	-	-	20.06
	(20.59)	(0.09)	(-)	(0.15)	(-)	(20.83)
Reimbursement from companies	165.17	0.10	-	-	-	165.27
	(134.81)	(0.16)	(-)	(-)	(-)	(134.97)
Purchase of Fixed assets	0.59	-	-	-	-	0.59
	(0.43)	(-)	(-)	(-)	(-)	(0.43)
Sale of Fixed assets	0.55	-	-	-	-	0.55
	(0.29)	(-)	(-)	(-)	(-)	(0.29)
Swaps/Forward/ Options contracts	5,068.59	-	-	-	-	5,068.59
	(3,787.74)	(-)	(-)	(-)	(-)	(3,787.74)
Guarantees/Lines of credit	0.25	0.05	-	-	-	0.30
	(100.00)	(-)	(-)	(-)	(-)	(100.00)
QIP Issuance Expense adjusted against Share Premium	10.09	-	-	#	-	10.09
	(-)	(-)	(-)	(-)	(-)	(-)

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel (KMP)	Enterprise over which KMP/Relative of KMP have control / significant influence	Relatives of KMP	Total
Professional Charges towards Strategic investment - capitalized	3.51	-	-	-	-	3.51
	(-)	(-)	(-)	(-)	(-)	(-)
I. Liabilities:						
Other liabilities						
Other Payable						
Kotak Mahindra Prime Limited	0.33	-	-	-	-	0.33
	(0.54)	(-)	(-)	(-)	(-)	(0.54)
Kotak Mahindra Investments Limited	0.05	-	-	-	-	0.05
	(0.04)	(-)	(-)	(-)	(-)	(0.04)
Kotak Securities Ltd	6.86	-	-	-	-	6.86
	(#)	(-)	(-)	(-)	(-)	(#)
Others	7.19	0.01	-	0.30	-	7.50
	(0.56)	(0.12)	(-)	(#)	(-)	(0.68)
II. Assets:						
Investments						
Kotak Mahindra Life Insurance Company Limited	1,557.20	-	-	-	-	1,557.20
	(260.25)	(-)	(-)	(-)	(-)	(260.25)
Kotak Mahindra Prime Limited	361.82	-	-	-	-	361.82
	(411.80)	(-)	(-)	(-)	(-)	(411.80)
Kotak Mahindra Capital Company Limited	65.14	-	-	-	-	65.14
	(65.14)	(-)	(-)	(-)	(-)	(65.14)
Kotak Mahindra Investments Limited	338.03	-	-	-	-	338.03
	(238.03)	(-)	(-)	(-)	(-)	(238.03)
Kotak Mahindra General Insurance Company Limited	175.00	-	-	-	-	175.00
	(135.00)	(-)	(-)	(-)	(-)	(135.00)
Kotak Infrastructure Debt Fund	342.19					342.19
	(92.19)					(92.19)
Others	232.78	-	-	#	-	232.78
	(64.91)	(-)	(-)	(#)	(-)	(64.91)
ACE Derivatives and Commodity Exchange Limited	-	33.88	-	-	-	33.88
	(-)	(33.88)	(-)	(-)	(-)	(33.88)
						-
Diminution on Investments						

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel (KMP)	Enterprise over which KMP/Relative of KMP have control / significant influence	Relatives of KMP	Total
Kotak Infrastructure Debt Fund Limited	-	-	-	-	-	-
	(2.28)	(-)	(-)	(-)	(-)	(2.28)
ACE Derivatives and Commodity Exchange Limited	-	29.82	-	-	-	29.82
	(-)	(29.82)	(-)	(-)	(-)	(29.82)
Business Standard Private Ltd	-	-	-	#	-	#
	(-)	(-)	(-)	(#)	(-)	(#)
Commission Receivable						
Kotak Mahindra Life Insurance Company Limited	42.81	-	-	-	-	42.81
	(34.10)	(-)	(-)	(-)	(-)	(34.10)
Kotak Mahindra General Insurance Company Limited	0.99	-	-	-	-	0.99
	(0.33)	(-)	(-)	(-)	(-)	(0.33)
Others Receivable						
Kotak Mahindra Prime Limited	22.29	-	-	-	-	22.29
	(29.64)	(-)	(-)	(-)	(-)	(29.64)
Kotak Securities Limited	2.89	-	-	-	-	2.89
	(9.09)	(-)	(-)	(-)	(-)	(9.09)
Kotak Investment Advisors Ltd	3.29	-	-	-	-	3.29
	(16.89)	(-)	(-)	(-)	(-)	(16.89)
Kotak Mahindra Life Insurance Company Limited	8.97	-	-	-	-	8.97
	(8.35)	(-)	(-)	(-)	(-)	(8.35)
Others	32.14	0.04	-	0.07	-	32.25
	(7.37)	(0.03)	(-)	(#)	(-)	(7.40)
III. Expenses:						
Salaries / fees (Include ESOPs)						
Mr. Uday Kotak	-	-	3.20	-	-	3.20
	(-)	(-)	(2.85)	(-)	(-)	(2.85)
Mr. C Jayaram	-	-	-	-	-	-
	(-)	(-)	(0.78)	(-)	(-)	(0.78)
Mr. Dipak Gupta	-	-	4.86	-	-	4.86
	(-)	(-)	(4.20)	(-)	(-)	(4.20)
Other Expenses						
Brokerage						
Kotak Securities Limited	0.30	-	-	-	-	0.30
	(0.08)	(-)	(-)	(-)	(-)	(0.08)

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel (KMP)	Enterprise over which KMP/Relative of KMP have control / significant influence	Relatives of KMP	Total
Premium						
Kotak Mahindra Life Insurance Company Limited	3.30	-	-	-	-	3.30
	(3.03)	(-)	(-)	(-)	(-)	(3.03)
Kotak Mahindra General Insurance Company Limited	2.66	-	-	-	-	2.66
	(1.67)	(-)	(-)	(-)	(-)	(1.67)
Donations						
Kotak Education Foundation	-	18.79	-	-	-	18.79
	(-)	(13.03)	(-)	(-)	(-)	(13.03)
Others						
Kotak Mahindra Prime Limited	3.30	-	-	-	-	3.30
	(2.82)	(-)	(-)	(-)	(-)	(2.82)
Kotak Infrastructure Debt Fund Limited	-	-	-	-	-	-
	(0.03)	(-)	(-)	(-)	(-)	(0.03)
Aero Agencies Limited	-	-	-	4.39	-	4.39
	(-)	(-)	(-)	(4.48)	(-)	(4.48)
Kotak & Company Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.03)	(-)	(0.03)
Business Standard Private Limited	-	-	-	0.12	-	0.12
	(-)	(-)	(-)	(-)	(-)	(-)
BSS Microfinance Limited	13.78	-	-	-	-	13.78
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Mahindra Financial Services Limited	4.51	-	-	-	-	4.51
	(4.39)	(-)	(-)	(-)	(-)	(4.39)
IVY Product Intermediaries Limited	-	-	-	-	-	-
	0.32	(-)	(-)	(-)	(-)	0.32
Others	#	0.22	-	-	-	0.22
	(#)	(0.30)	(-)	(-)	(-)	(0.30)
IV. Income:						
Dividend						
IVY Product Intermediaries Limited	-	-	-	-	-	-
	(3.32)	(-)	(-)	(-)	(-)	(3.32)
Kotak Mahindra Trustee Co Ltd	7.50	-	-	-	-	7.50
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Mahindra Prime Limited	0.11	-	-	-	-	0.11

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel (KMP)	Enterprise over which KMP/Relative of KMP have control / significant influence	Relatives of KMP	Total
	(0.11)	(-)	(-)	(-)	(-)	(0.11)
Other Income						
Kotak Mahindra Life Insurance Company Limited	193.44	-	-	-	-	193.44
	(165.10)	(-)	(-)	(-)	(-)	(165.10)
Kotak Mahindra General Insurance Company Limited	11.73	-	-	-	-	11.73
	(5.52)	(-)	(-)	(-)	(-)	(5.52)
Kotak Securities Limited	22.82	-	-	-	-	22.82
	(22.72)	(-)	(-)	(-)	(-)	(22.72)
Kotak Mahindra Capital Company Limited	9.91	-	-	-	-	9.91
	(9.96)	(-)	(-)	(-)	(-)	(9.96)
Kotak Mahindra Asset Management Company Limited	47.13	-	-	-	-	47.13
	(38.70)	(-)	(-)	(-)	(-)	(38.70)
Kotak Mahindra Prime Limited	14.19	-	-	-	-	14.19
	(13.07)	(-)	(-)	(-)	(-)	(13.07)
Kotak Investment Advisors Ltd	11.32	-	-	-	-	11.32
	(22.60)	(-)	(-)	(-)	(-)	(22.60)
Others	9.17	0.10	#	0.87	-	10.14
	(8.42)	(0.10)	(#)	(0.89)	(-)	(9.41)
V. Other Transactions:						
Sale of Investment						
Kotak Mahindra Life Insurance Company Limited	130.15	-	-	-	-	130.15
	(117.90)	(-)	(-)	(-)	(-)	(117.90)
Kotak Mahindra Prime Limited	-	-	-	-	-	-
	(225.00)	(-)	(-)	(-)	(-)	(225.00)
Kotak Mahindra Investments Limited	-	-	-	-	-	-
	(92.69)	(-)	(-)	(-)	(-)	(92.69)
Kotak Infrastructure Debt Fund	50.12	-	-	-	-	50.12
	(-)	(-)	(-)	(-)	(-)	(-)
Purchase of Investments						
Kotak Mahindra Life Insurance Company Limited	70.37	-	-	-	-	70.37
	(21.15)	(-)	(-)	(-)	(-)	(21.15)
Kotak Mahindra Prime	300.67	-	-	-	-	300.67

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel (KMP)	Enterprise over which KMP/Relative of KMP have control / significant influence	Relatives of KMP	Total
Limited						
	(350.00)	(-)	(-)	(-)	(-)	(350.00)
Kotak Infrastructure Debt Fund Limited	250.00	-	-	-	-	250.00
	(88.90)	(-)	(-)	(-)	(-)	(88.90)
Kotak Mahindra Investments Limited	100.00	-	-	-	-	100.00
	(92.69)	(-)	(-)	(-)	(-)	(92.69)
Kotak Investment Advisors Ltd	50.00	-	-	-	-	50.00
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Mahindra General Insurance Company Limited	40.00	-	-	-	-	40.00
	(10.33)	(-)	(-)	(-)	(-)	(10.33)
Kotak Securities Limited	10.53	-	-	-	-	10.53
	(-)	(-)	(-)	(-)	(-)	(-)
Loan Disbursed during the year						
Kotak Mahindra Prime Limited	60.00	-	-	-	-	60.00
	(60.00)	(-)	(-)	(-)	(-)	(60.00)
Kotak Mahindra (International) Limited	1,760.23	-	-	-	-	1,760.23
	(1,134.78)	(-)	(-)	(-)	(-)	(1,134.78)
Loan Repaid during the year						
Kotak Mahindra (International) Limited	1,761.48	-	-	-	-	1,761.48
	(1,134.78)	(-)	(-)	(-)	(-)	(1,134.78)
Kotak Mahindra Prime Limited	120.00	-	-	-	-	120.00
	(60.00)	(-)	(-)	(-)	(-)	(60.00)
Loan portfolio acquired under Assignment						
Kotak Mahindra Prime Limited	-	-	-	-	-	-
	(247.35)	(-)	(-)	(-)	(-)	(247.35)
Dividend paid						
Mr. Uday Kotak	-	-	34.02	-	-	34.02
	(-)	(-)	(30.63)	(-)	(-)	(30.63)
Mr. Dipak Gupta	-	-	0.08	-	-	0.08
	(-)	(-)	(0.07)	(-)	(-)	(0.07)
Ms. Pallavi Kotak	-	-	-	-	0.07	0.07
	(-)	(-)	(-)	(-)	(0.06)	(0.06)
Ms. Indira Kotak	-	-	-	-	0.14	0.14

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel (KMP)	Enterprise over which KMP/Relative of KMP have control / significant influence	Relatives of KMP	Total
	(-)	(-)	(-)	(-)	(0.12)	(0.12)
Others	-	-	-	0.04	0.02	0.06
	(-)	(-)	(-)	(0.04)	(0.01)	(0.05)
Reimbursements to companies						
Kotak Mahindra Capital Company Limited	2.39	-	-	-	-	2.39
	(2.53)	(-)	(-)	(-)	(-)	(2.53)
Kotak Mahindra Prime Limited	5.99	-	-	-	-	5.99
	(5.92)	(-)	(-)	(-)	(-)	(5.92)
Kotak Securities Ltd.	9.87	-	-	-	-	9.87
	(10.22)	(-)	(-)	(-)	(-)	(10.22)
Kotak Mahindra Life Insurance Company Limited	0.79	-	-	-	-	0.79
	(0.43)	(-)	(-)	(-)	(-)	(0.43)
Kotak Infrastructure Debt Fund	0.03	-	-	-	-	0.03
	(-)	(-)	(-)	(-)	(-)	(-)
Others	1.00	-	-	-	-	1.00
	(1.49)	(0.09)	(-)	(0.15)	(-)	(1.73)
Reimbursements from companies						
Kotak Mahindra Capital Company Limited	7.09	-	-	-	-	7.09
	(6.84)	(-)	(-)	(-)	(-)	(6.84)
Kotak Mahindra Prime Limited	21.64	-	-	-	-	21.64
	(18.16)	(-)	(-)	(-)	(-)	(18.16)
Kotak Mahindra Life Insurance Company Limited	20.20	-	-	-	-	20.20
	(18.92)	(-)	(-)	(-)	(-)	(18.92)
Kotak Securities Limited	84.93	-	-	-	-	84.93
	(62.12)	(-)	(-)	(-)	(-)	(62.12)
Kotak Mahindra Investments Limited	9.45	-	-	-	-	9.45
	(8.22)	(-)	(-)	(-)	(-)	(8.22)
Others	21.86	0.10	-	-	-	21.96
	(20.55)	(0.16)	(-)	(-)	(-)	(20.71)
Purchase of Fixed assets						
Kotak Mahindra Prime Limited	0.03	-	-	-	-	0.03
	(0.02)	(-)	(-)	(-)	(-)	(0.02)
Kotak Securities Limited	0.52	-	-	-	-	0.52
	(0.11)	(-)	(-)	(-)	(-)	(0.11)
Kotak Infrastructure Debt	-	-	-	-	-	-

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel (KMP)	Enterprise over which KMP/Relative of KMP have control / significant influence	Relatives of KMP	Total
Fund Limited						
	(#)	(-)	(-)	(-)	(-)	(#)
Kotak Mahindra Life Insurance Company Limited	-	-	-	-	-	-
	(0.14)	(-)	(-)	(-)	(-)	(0.14)
Kotak Mahindra Asset Management Company Limited	-	-	-	-	-	-
	(0.14)	(-)	(-)	(-)	(-)	(0.14)
Kotak Mahindra Capital Company Limited	0.04	-	-	-	-	0.04
	(#)	(-)	(-)	(-)	(-)	(#)
Sale of Fixed assets						
Kotak Mahindra Capital Company Ltd	0.08	-	-	-	-	0.08
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Investment Advisors Limited	#	-	-	-	-	#
	(0.23)	(-)	(-)	(-)	(-)	(0.23)
Kotak Mahindra Asset Management Company Limited	0.06	-	-	-	-	0.06
	(0.06)	(-)	(-)	(-)	(-)	(0.06)
Kotak Infrastructure Debt Fund	0.25	-	-	-	-	0.25
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Mahindra Life Insurance Company Limited	0.06	-	-	-	-	0.06
	(#)	(-)	(-)	(-)	(-)	(#)
Kotak Mahindra Prime Limited	0.09	-	-	-	-	0.09
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Securities Limited	#	-	-	-	-	#
	(-)	(-)	(-)	(-)	(-)	(-)
Swaps/Forward /Options contract						
Kotak Mahindra (International) Limited	5,068.59	-	-	-	-	5068.59
	(3,787.74)	(-)	(-)	(-)	(-)	(3787.74)
Guarantees/Lines of credit						
Kotak Securities Limited	-	-	-	-	-	-
	(100.00)	(-)	(-)	(-)	(-)	(100.00)
Kotak Mahindra Life Insurance Company Limited	0.25	-	-	-	-	0.25

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel (KMP)	Enterprise over which KMP/Relative of KMP have control / significant influence	Relatives of KMP	Total
	(-)	(-)	(-)	(-)	(-)	(-)
Matrix Business Services India Private Limited	-	0.05	-	-	-	0.05
	(-)	(-)	(-)	(-)	(-)	(-)
QIP Issuance Expense adjusted against Share Premium						
Kotak Mahindra Capital Company Ltd	10.09	-	-	-	-	10.09
	(-)	(-)	(-)	(-)	(-)	(-)
Aero Agencies Limited	-	-	-	#	-	#
	(-)	(-)	(-)	(-)	(-)	(-)
Professional Charges towards Strategic investment - capitalized						
Kotak Mahindra Capital Company Ltd	3.51	-	-	-	-	3.51
	(-)	(-)	(-)	(-)	(-)	(-)

Note:

1. *Figures in brackets represent previous year's figures.*
2. *The above does not include any transactions in relation to listed securities done on recognised stock exchange during the year. However above includes transactions done on NDS with known related parties.*
3. *# in the above table denotes amounts less than* ₹ 50,000

Maximum Balance outstanding during the year

(in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel	Enterprise over which KMP/Relative of KMP have control / significant influence	Relatives of Key Management Personnel
Liabilities					
Deposits	5,936.64	5,180.30	358.56	397.28	16.37
	(8714.93)	(5902.00)	(149.22)	(522.73)	(55.70)
Borrowings	10.00	-	-	-	-
	(10.00)	(-)	(-)	(-)	(-)
Other Liabilities	116.96	1.56	1.52	2.55	0.03
	(44.40)	(2.84)	(1.03)	(10.94)	(0.38)
Assets					
Advances	412.05	-	-	#	-
	(302.77)	(-)	(-)	(0.04)	(-)
Investments-Gross	3222.15	33.88	-	#	-
	(1267.31)	(33.88)	(-)	(#)	(-)
Commission Receivable	43.81	-	-	-	-
	(34.43)	(-)	(-)	(-)	(-)
Others	138.65	0.10	-	0.32	-
	(100.80)	(0.14)	(-)	(0.19)	(-)

Note*:*

1. *Figures in brackets represent previous year's figures.*
2. *# in the above table denotes amounts less than* ₹ 50,000.