

Kotak Mahindra Investments Limited  
Internal Guidelines on Corporate Governance

Approval authority	Board
Approved on	March 24
Owner of the policy	Compliance
Review frequency	As and when required
Previous version no and date	1.09 dated March, 2023

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**Company Philosophy and Corporate Governance:**

Kotak Mahindra Investments Limited (the Company) is 100% subsidiary of Kotak Mahindra Bank Limited and as such draws its philosophy from its parent, which is a Bank and whose shares are listed on the stock exchange. 'Kotak Group' is a financial conglomerate of immense repute and of high regard.

Corporate Governance is about maximizing shareholders' value on a sustainable basis and ensuring fairness to all other stakeholder of the Company.

The Company ensures good governance through the implementation of effective policies and procedures, which is mandated and regularly reviewed by the Board or the committees of the members of the Board.

**Company and the Operations:****Company**

The Company is a NBFC-ND SI (Systemically Important Non deposit taking Non-Banking Financial Company-); Middle Layer NBFC and is registered with Reserve Bank of India.

**Operations**

The Company is under the able direction of the Board of directors and through the procedures and policies mandated by the Board from time to time. The company also has a sound management team heading the various functions within the company.

The policies and procedures for functioning and operations made are adopted after being thoroughly reviewed and approved by the respective approving authority.

The Company is professionally managed through the Board of Directors and through the committees of Board of Directors.

The charter of the Board and the committees shall be as defined in guidelines of RBI, SEBI, Companies Act, 2013 and other applicable legislation.

The details of composition, quorum, charter of Board and Committees is as below.

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**Board of Directors:**

Composition	<ul style="list-style-type: none"><li>• Mr. Uday Kotak (Chairman)</li><li>• Ms. Padmini Khare Kaicker</li><li>• Mr. Prakash Apte</li><li>• Mr. Paresh Parasnis</li><li>• Mr. Chandrashekhar Sathe</li><li>• Mr. Baswa Ashok Rao</li><li>• Mr. Paritosh Kashyap</li><li>• Mr. Phani Shankar</li><li>• Mr. Amit Bagri</li></ul>
Quorum	Any three directors, provided that minimum one Independent Director presence is mandatory
Periodicity	Once a quarter

**Audit Committee**

Composition	<ul style="list-style-type: none"><li>• Ms. Padmini Khare Kaicker</li><li>• Mr. Chandrashekhar Sathe</li><li>• Mr. Phani Shankar</li><li>• Mr. Paresh Parasnis</li></ul>
Quorum	Any three directors
Periodicity	Once a quarter
Charter	<ul style="list-style-type: none"><li>• the recommendation for appointment, remuneration and terms of appointment of auditors of the company</li><li>• review and monitor the auditor's independence and performance, and effectiveness of audit process;</li><li>• approval or any subsequent modification of transactions of the company with related parties;</li><li>• scrutiny of inter-corporate loans and investments;</li><li>• valuation of undertakings or assets of the company, wherever it is necessary;</li><li>• evaluation of internal financial controls and risk management systems;</li><li>• monitoring the end use of funds raised through public offers and related matters</li><li>• approve, review and monitor the Risk Based Internal Audit Plan each year</li><li>• review inspection conducted by the Regulators and approve action plans for corrective actions</li><li>• review of accounting policy, financial operating systems and audit reports</li><li>• review of compliance with regulatory guidelines</li><li>• review of pending litigations if any</li></ul>

	<ul style="list-style-type: none"> <li>review compliance of the SEBI (PIT) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are operating effectively.</li> </ul>
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#### **Nomination & Remuneration Committee**

Composition	<ul style="list-style-type: none"> <li>Ms. Padmini Khare Kaicker</li> <li>Mr. Chandrashekhar Sathe</li> <li>Mr. Paritosh Kashyap</li> </ul>
Quorum	Any three directors
Periodicity	Once a year
Charter	<p>Nomination &amp; Remuneration Committee shall:</p> <ul style="list-style-type: none"> <li>identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.</li> <li>formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees.</li> <li>while formulating the policy ensure that—</li> <li>the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;</li> <li>relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and</li> <li>remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.</li> </ul>

#### **Risk Management Committee (RMC)**

Composition	<ul style="list-style-type: none"> <li>Mr. Phani Shankar</li> <li>Mr. Paritosh Kashyap</li> <li>Mr. Amit Bagri</li> <li>Mr. Chandrashekhar Sathe</li> </ul>
Quorum	Any three members
Periodicity	Once a quarter
Charter	<p>Risk Management Committee (RMC) exercises supervisory power in connection with the risk management of the company, monitoring of the exposures, reviewing adequacy of risk management process, reviewing internal control systems, ensuring compliance with the statutory/regulatory framework of the risk management process.</p>

### **Stakeholder Relationship Committee**

Composition	<ul style="list-style-type: none"><li>• Mr. Prakash Apte</li><li>• Mr. Paritosh Kashyap</li><li>• Mr. Amit Bagri</li></ul>
Quorum	Any three members
Periodicity	Once a year
Charter	<ul style="list-style-type: none"><li>• Resolving the grievances of the security holders of the listed entity including</li><li>• complaints related to transfer/transmission of shares, non-receipt of annual report, nonreceipt of declared dividends, issue of new/duplicate certificates, general meetings etc.</li><li>• Review of measures taken for effective exercise of voting rights by shareholders.</li><li>• Review of adherence to the service standards adopted by the listed entity in</li><li>• respect of various services being rendered by the Registrar &amp; Share Transfer Agent.</li><li>• Review of the various measures and initiatives taken by the listed entity for</li><li>• reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend</li><li>• warrants/annual reports/statutory notices by the shareholders of the company</li></ul>

### **IT Strategy Committee**

Composition	<ul style="list-style-type: none"><li>• Mr. Baswa Ashok Rao</li><li>• Mr. Paresh Parasnis</li><li>• Mr. Amit Bagri</li><li>• Mr. Paritosh Kashyap</li><li>• Mr. Prakash Apte</li></ul>
Quorum	Any three members
Periodicity	Once a quarter
Charter	<ul style="list-style-type: none"><li>• Guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the company towards accomplishment of its business objectives;</li><li>• Satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the organization;</li><li>• Ensure that the company has put in place processes for assessing and managing IT and cybersecurity risks;</li><li>• Ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the RE's IT maturity,</li></ul>

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	<p>digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives; and</p> <ul style="list-style-type: none"> <li>• Review, at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the company.</li> </ul>
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#### **Asset Liability Committee (ALCO):**

Composition	<ul style="list-style-type: none"> <li>• Mr. Paritosh Kashyap</li> <li>• Mr. Amit Bagri</li> <li>• Mr. Jay Joshi</li> <li>• Mr. Hiren Vora</li> <li>• Mr. Piyush Thakkar</li> <li>• Mr. Maulik Tejani</li> </ul>
Quorum	Mr. Paritosh Kashyap and any two other members
Periodicity	Once every month
Charter	ALCO is responsible for ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the NBFC (on the assets and liabilities sides) in line with the NBFC's budget and decided risk management objectives.

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

Composition	<ul style="list-style-type: none"> <li>• Mr. Paresh Parasnis</li> <li>• Mr. Paritosh Kashyap</li> <li>• Mr. Amit Bagri</li> <li>• Mr. Prakash Apte</li> </ul>
Quorum	Any three
Periodicity	As and when
Charter	The Committee is responsible to monitor, review and approve CSR initiatives and expenditure. The Committees shall make recommendations to the Board on CSR policy and related matters.

#### **Expense Committee**

Composition	<ul style="list-style-type: none"> <li>• Mr. Paritosh Kashyap</li> <li>• Mr. Amit Bagri</li> <li>• Mr. Jay Joshi</li> </ul>
Quorum	Any two member
Periodicity	As and when
Charter	The members of the <b>Expense Committee</b> will meet or may discuss and approve agenda item on circulation over mail as and when required.

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	The Expense committee reviews and approves the expenses as per the grid mentioned in Approval Authorities policy.
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### **Investment Committee**

Composition	<ul style="list-style-type: none"> <li>• Mr. Paritosh Kashyap</li> <li>• Mr. Amit Bagri</li> <li>• Mr. Phani Shankar</li> </ul>
Quorum	Any two member
Periodicity	As and when
Charter	The members of the <b>Investment Committee</b> will meet or may discuss and approve agenda item on circulation over mail as and when required..

### **Whistle Blower Committee**

Composition	<ul style="list-style-type: none"> <li>• Ms. Padmini Khare</li> <li>• Mr. Paritosh Kashyap</li> <li>• Mr. Amit Bagri</li> <li>• Mr. Rajeev Kumar</li> </ul>
Quorum	Chairperson and one other member
Periodicity	As and when
Charter	The Whistle Blower committees assist Audit Committee in discharging their duties with regards to the list that was dotted down in Whistle Blower Policy.

### **Grievances Committee**

Composition	<ul style="list-style-type: none"> <li>• Mr. Paritosh Kashyap</li> <li>• Mr Amit Bagri</li> <li>• Mr. Jay Joshi</li> <li>• Mr. Rajeev Kumar</li> </ul>
Quorum	Any three member
Periodicity	One a quarter
Charter	The Grievances committees review the customer grievances received, if any and the actions taken report for the period. Recommending action for grievances pending, if any. Forwarding to the board, observations / recommendations if any. Any other work assigned by the board.

### **IT Steering Committee**

Composition	<ul style="list-style-type: none"> <li>• Mr. Amit Bagri</li> <li>• Mr. Jay Joshi</li> <li>• Mr. Piyush Thakkar</li> </ul>
Quorum	Any three member
Periodicity	Once a quarter
Charter	<ul style="list-style-type: none"> <li>• Assist the ITSC in strategic IT planning, oversight of IT performance, and aligning IT activities with business needs;</li> </ul>



	<ul style="list-style-type: none"> <li>• Oversee the processes put in place for business continuity and disaster recovery;</li> <li>• Ensure implementation of a robust IT architecture meeting statutory and regulatory compliance; and</li> <li>• Update ITSC periodically on the activities of IT Steering Committee.</li> </ul>
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Fair Practice Code	Pursuant to the guidelines on Fair Practices Code issued by Reserve Bank of India, the Company has adopted a policy on Fair Practices Code which is placed on the website of the Company and also a regular review on the implementation of the same is conducted by committee members.
Code of Conduct	The Company has adopted a code of conduct for employees of the Company and due care is taken that the employees adhere to it.
Trading Code of Conduct	The Company endeavors to preserve the confidentiality of unpublished price sensitive information and to prevent misuse of such information. The designated employees of the Company are required to ensure adherence to the 'Trading Code of Conduct.

**Disclosures and transparency**

The Board of the Company reviews, records and adopts the minutes of the committee meetings.

The Management Discussion & Analysis Report of the Company is duly included in the Directors' Report covering necessary matters of concern as a part published by the Company and the Segment – wise reporting as per Ind AS 108 is duly included in the Annual Report of the Company.

With compliance of the requirements of the 'Listing Agreement for Privately Placed Debentures', which are listed on the 'Bombay Stock Exchange Limited, Mumbai' the Company ensures transparent good governance.

The Company has in keeping with proper responsibility and authority matrix inculcated in the structure of certification to ensure compliance from diversified and various locations.