

Kotak Mahindra Investments Limited  
Internal Guidelines on Corporate Governance

Approval authority	Board
Approved on	July 2025
Owner of the policy	Compliance
Review frequency	As and when required
Previous version no and date	1.16 dated June, 2025

**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.

**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. Baswa Ashok Rao</li><li>• Mr. Paritosh Kashyap</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. Paresh Parasnis</li><li>• Mr. Prakash Apte</li><li>• Mr. Paritosh Kashyap</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>• examination of the financial statement and the auditors' report thereon;</li><li>• approval or any subsequent modification of transactions of the company with related party ;</li><li>• oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;</li><li>• recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;</li><li>• approval of payment to statutory auditors for any other services rendered by the statutory auditors;</li><li>• reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:<ul style="list-style-type: none"><li>✓ matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;</li><li>✓ changes, if any, in accounting policies and practices and reasons for the same;</li><li>✓ major accounting entries involving estimates based on the exercise of judgment by management;</li><li>✓ significant adjustments made in the financial statements arising out of audit findings;</li><li>✓ compliance with listing and other legal requirements relating to financial statements;</li><li>✓ disclosure of any related party transactions;</li><li>✓ modified opinion(s) in the draft audit report;</li></ul></li><li>• reviewing, with the management, the quarterly financial statements before submission to the board for approval;</li><li>• reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a 579[public issue or rights issue or preferential issue or qualified institutions placement], and making</li></ul>

	<p>appropriate recommendations to the board to take up steps in this matter;</p> <ul style="list-style-type: none"> <li>• reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;</li> <li>• approval or any subsequent modification of transactions of the listed entity with related parties;</li> <li>• scrutiny of inter-corporate loans and investments;</li> <li>• valuation of undertakings or assets of the listed entity, wherever it is necessary;</li> <li>• evaluation of internal financial controls and risk management systems;</li> <li>• reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;</li> <li>• reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;</li> <li>• discussion with internal auditors of any significant findings and follow up there on;</li> <li>• reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;</li> <li>• discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;</li> <li>• to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;</li> <li>• to review the functioning of the whistle blower mechanism;</li> <li>• approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;</li> <li>• Carrying out any other function as is mentioned in the terms of reference of the audit committee.</li> <li>• reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.]</li> <li>• consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.</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> </ul>
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	<ul style="list-style-type: none"> <li>• review of compliance with regulatory guidelines;</li> <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> <p>The audit committee shall mandatorily review the following information:</p> <ul style="list-style-type: none"> <li>• management discussion and analysis of financial condition and results of operations;</li> <li>• management letters / letters of internal control weaknesses issued by the statutory auditors;</li> <li>• internal audit reports relating to internal control weaknesses; and</li> <li>• the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.</li> <li>• statement of deviations: <ul style="list-style-type: none"> <li>➤ quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).</li> <li>➤ annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).</li> </ul> </li> </ul>
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#### **Nomination & Remuneration Committee**

Composition	<ul style="list-style-type: none"> <li>• Ms. Padmini Khare Kaicker</li> <li>• Mr. Prakash Apte</li> <li>• Mr. Paritosh Kashyap</li> </ul>
Quorum	Any three directors
Periodicity	Once a year
Charter	<ul style="list-style-type: none"> <li>• The Nomination and Remuneration Committee shall 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 specify the manner for effective evaluation of performance of Board, its committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;</li> <li>• The Nomination and Remuneration Committee shall, while formulating the policy to ensure that— <ul style="list-style-type: none"> <li>(a) 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>(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and</li> <li>(c) 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> </li> <li>• formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the</li> </ul>

	<p>board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;</p> <ul style="list-style-type: none"> <li>• For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may: <ul style="list-style-type: none"> <li>✓ use the services of an external agencies, if required;</li> <li>✓ consider candidates from a wide range of backgrounds, having due regard to diversity; and</li> <li>✓ consider the time commitments of the candidates.</li> </ul> </li> <li>• formulation of criteria for evaluation of performance of independent directors and the board of directors;</li> <li>• devising a policy on diversity of board of directors;</li> <li>• identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.</li> <li>• whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.</li> <li>• recommend to the board, all remuneration, in whatever form, payable to senior management.</li> </ul>
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#### **Risk Management Committee (RMC)**

Composition	<ul style="list-style-type: none"> <li>• Mr. Paresch Parasnis</li> <li>• Mr. Baswa Ashok Rao</li> <li>• Mr. Paritosh Kashyap</li> <li>• Mr. Amit Bagri</li> </ul>
Quorum	Any three members
Periodicity	Once a quarter
Charter	<ul style="list-style-type: none"> <li>• Identifying, monitoring and measuring the risk profile of KMIL;</li> <li>• Developing risk appetite statements in line with KMIL's strategy,</li> <li>• Overseeing establishment of the risk management framework,</li> <li>• Recommending appropriate processes for internal capital adequacy assessment,</li> <li>• Identifying and assessing Liquidity / ALM risks</li> <li>• Identifying new risks &amp; designing stress scenarios to measure the impact of unusual market conditions</li> <li>• Reviewing credit policies, products, portfolio quality, credit risk management practices to ensure that these are within the risk appetite and limits approved by the Board.</li> </ul>

	<ul style="list-style-type: none"> <li>• Reviewing and monitoring the key operational risks emanating from People, Processes, Systems &amp; external factors</li> <li>• Evaluating internal controls and risk management systems</li> <li>• Regularly evaluating the risk faced by the Company through the overall risk profile</li> <li>• Ensuring that reputation risks including conduct risks are captured across various businesses of the Company</li> <li>• To formulate a detailed risk management policy which shall include: <ul style="list-style-type: none"> <li>✓ A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.</li> <li>✓ Measures for risk mitigation including systems and processes for internal control of identified risks.</li> <li>✓ Business continuity plan.</li> </ul> </li> <li>• To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;</li> <li>• To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;</li> <li>• To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;</li> <li>• To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;</li> <li>• The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.</li> </ul>
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#### **Stakeholder Relationship Committee**

Composition	<ul style="list-style-type: none"> <li>• Mr. Baswa Ashok Rao</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, non- receipt 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 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 reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.</li> <li>Resolving grievances of debenture holders related to creation of charge, payment of interest/principal, maintenance of security cover and any other covenants.</li> </ul>
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#### **IT Strategy Committee**

Composition	<ul style="list-style-type: none"> <li>Mr. Baswa Ashok Rao</li> <li>Mr. Prakash Apte</li> <li>Mr. Amit Bagri</li> <li>Mr. Paritosh Kashyap</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, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives; and</li> <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>

**Asset Liability Committee (ALCO):**

Composition	<ul style="list-style-type: none"><li>• Mr. Amit Bagri</li><li>• Mr. Paritosh Kashyap</li><li>• Mr. Siddarth Gandotra</li><li>• Mr. Hiren Vora</li><li>• Mr. Ashish Agrawal</li><li>• Ms. Jyoti Agarwal</li></ul>
Quorum	Any three 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. Prakash Apte</li><li>• Mr. Paritosh Kashyap</li><li>• Mr. Amit Bagri</li></ul>
Quorum	Any three members
Periodicity	As and when
Charter	<ul style="list-style-type: none"><li>• Formulate and recommend to the Board, a Corporate Social Responsibility ("CSR") Policy which shall indicate the activities to be undertaken by the Company, as laid down in Schedule VII to the Companies Act, 2013 ("Act") and Companies (Corporate Social Responsibility) Rules 2014 as amended from time to time ("CSR Rules") and notifications/ circulars issued by the Ministry of Corporate Affairs, from time-to-time;</li><li>• Review and recommend Company's CSR Project, Budget, Expenditure, Design and Annual Action Plan to the Board; and</li><li>• Review and monitor implementation of CSR Projects, CSR Project Budget, CSR Project Expenditure to be in line with the scope of the Act and CSR Rules, Company's CSR Policy, Design, Annual Action Plan and to also update the Board on the progress and fund utilisation of each CSR Project;</li></ul>

**Credit Committee**

Composition	<ul style="list-style-type: none"><li>• Mr. Amit Bagri, Chief Executive Officer</li><li>• Mr. Ashish Agrawal, Chief Risk Officer</li><li>• Mr. Sajjad Noorani, Credit Head</li></ul>
Quorum	Any three members
Periodicity	As and when

Charter	The Credit committee critically analyses the financials of the various loan proposals and approves or recommends for further approval.
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#### **Expense Committee**

Composition	<ul style="list-style-type: none"> <li>• Mr. Amit Bagri</li> <li>• Mr. Siddarth Gandotra</li> </ul>
Quorum	Any two members
Periodicity	As and when
Charter	The members of the Expense Committee will meet or may discuss and approve agenda item on circulation over mail as and when required.
	The Expense committee reviews and approves the expenses as per the grid mentioned in Approval Authorities policy.

#### **Investment Committee**

Composition	<ul style="list-style-type: none"> <li>• Mr. Amit Bagri</li> <li>• Mr. Ashish Agrawal</li> <li>• Mr. Sajjad Noorani</li> </ul>
Quorum	Any three member
Periodicity	As and when
Charter	The members of the Investment Committee 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 Kaicker</li> <li>• Mr. Paritosh Kashyap</li> <li>• Mr. Amit Bagri</li> <li>• Mr. Rajeev Kumar</li> </ul>
Quorum	Any three members
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. Siddarth Gandotra</li> <li>• Mr. Rajeev Kumar</li> </ul>
Quorum	Any three members

Periodicity	Once 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. Ashish Agrawal</li> <li>• Mr. Siddarth Gandotra</li> </ul>
Quorum	Any three members
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> <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>

#### **Borrowing Committee**

Composition	<ul style="list-style-type: none"> <li>• Mr. Paresh Parasnis</li> <li>• Mr. Paritosh Kashyap</li> <li>• Mr. Amit Bagri</li> </ul>
Quorum	Any three members
Periodicity	As and when required
Charter	<ul style="list-style-type: none"> <li>• To avail all types of credit facilities from various Banks/Financial Institutions.</li> <li>• To approve payment of processing fees within the Board Approved limit</li> <li>• To approve counterparty name, limits, tenure, pricing, structure, other charges/fees etc.</li> <li>• To approve and to authorize the officials of the company to convey acceptance of the terms and conditions to the sanctions after making any amendments to the terms and conditions including spread/rate of interest, etc. as may be required.</li> <li>• To approve and to authorize the officials of the company to do all such things and acts as may be necessary and/or incidental for availing the credit facilities including signing of any documentation, deed (including deed of accession), form, sanction letters, opening/closing of bank account, affixing of common seal of the company if required to any documents in accordance with law and Articles of Association of the Company.</li> </ul>

**Special Committee of the Board for Monitoring and Follow-up of cases of Frauds**

Composition	<ul style="list-style-type: none"><li>• Mr. Paresh Parasnis</li><li>• Ms. Padmini Khare Kaicker</li><li>• Mr. Amit Bagri</li></ul>
Quorum	Any three members
Periodicity	As and when fraud is reported. Minimum - Yearly
Charter	<ul style="list-style-type: none"><li>• Oversee the effectiveness of the fraud risk management</li><li>• Review and monitor cases of frauds, including root cause analysis, and suggest mitigating measures for strengthening the internal controls, risk management framework and minimising the incidence of frauds.</li></ul>

**Wilful Defaulter Identification Committee**

Composition	<ul style="list-style-type: none"><li>• Mr. Ashish Agrawal, Chief Risk Officer</li><li>• Ms. Jyoti Agarwal, Business Head</li><li>• Mr. Rajeev Kumar, Chief Compliance Officer</li><li>• Mr. Sajjad Noorani, Chief Credit Officer</li></ul>
Quorum	Any three members
Periodicity	As and when required / At-least one year
Charter	<ul style="list-style-type: none"><li>• Identify and review the borrowers for classification as wilful defaulters in line with RBI guidelines.</li><li>• Review existing cases of wilful defaulter for any updates.</li></ul>

**Wilful Defaulter Review Committee**

Composition	<ul style="list-style-type: none"><li>• Mr. Amit Bagri</li><li>• Mr. Prakash Apte</li><li>• Mr. Baswa Ashok Rao</li></ul>
Quorum	Any two members
Periodicity	As and when required-
Charter	<ul style="list-style-type: none"><li>• Review the borrower identified as wilful defaulter by Wilful Defaulter Identification Committee and passing reasoned order for classification or otherwise.</li></ul>

**Product Approval Committee**

Composition	<ul style="list-style-type: none"><li>• Mr. Amit Bagri, Chief Executive Officer</li><li>• Ms. Jyoti Agarwal, Business Head</li><li>• Mr. Rajeev Kumar, Chief Compliance Officer</li><li>• Mr. Ashish Agrawal, Chief Risk Officer</li></ul>
Quorum	Any three members, however the Chief Compliance Officer should be mandatorily present.

Periodicity	As and when required-
Charter	<ul style="list-style-type: none"> <li>The Committee shall review and approve new products proposed to be introduced by the Company.</li> <li>The Committee shall play a key role in identifying and managing compliance risks associated with new products and processes.</li> </ul>

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.