

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. Preamble

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), as amended from time to time, which are applicable to Kotak Mahindra Prime Limited (“Company”), *inter alia*, provides for the specific requirements in respect of for Material Subsidiaries. Since KMPL has listed its debt securities on BSE, the relevant provisions related to “Material Subsidiaries” are applicable to KMPL.

The Board of Directors of the Company have adopted the following Policy with regard to determining Material Subsidiaries.

2. Applicability and Purpose

This Policy will be applicable to the Company and sets out the criteria and framework for determination of material subsidiaries of the Company in line with the requirement under Regulation 16(1)(c) of the Listing Regulations.

3. Determination of Material Subsidiary

A material subsidiary of the Company means a subsidiary whose income or net worth exceeds 10% of the consolidated income or net worth, respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

Provided in case of any change to the parameters for determination of material subsidiary, pursuant to a change in applicable law or interpretation thereof, the criteria mentioned above shall stand changed in accordance with the same.

4. Identification Framework

The Finance team shall be responsible for monitoring the aforementioned parameter(s) and determining whether a subsidiary has become a material unlisted subsidiary as per this Policy and the Listing Regulations.

5. Corporate Governance Requirements applicable to a Material Subsidiary

- At least one Independent Director of the Company shall be a director on the Board of the unlisted material subsidiary, whether incorporated in India or not.

For the purposes of this para, notwithstanding anything to the contrary contained in Regulation 16(1)(c) of the Listing Regulations, the term “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth, respectively, of the Company and its subsidiaries in the immediately preceding accounting year;

- The Company shall not dispose of shares in its material subsidiary, which would reduce its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% or cease the exercise of control over the subsidiary without passing a special resolution in its general meeting except in cases where such divestment is made under a scheme of arrangement duly approved by Court/Tribunal or under a resolution plan duly approved under Section 31 of the Insolvency Code and such an event is disclosed to the recognized Stock Exchanges within one

- day of the resolution plan being approved;
- Selling, disposing and leasing of assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders by way of special resolution unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal or under a resolution plan duly approved under Section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved;
 - The Company and its material unlisted subsidiaries incorporated in India shall undertake Secretarial Audit and shall annex with its Annual Report, a Secretarial Audit Report, given by a Company Secretary in Practice, in such form as may be specified.
 - Corporate Governance Reporting section in Annual report of listed entity shall mention details of material subsidiaries of listed entity; including the date and place of incorporation, the name and date of appointment of statutory auditors of such subsidiaries.

6. Policy Review

The above policy will be modified from time to time to be in line with the regulatory requirements, including the Companies Act, 2013 ("Act") and Guidelines/Regulations issued by the Securities Exchange Board of India, from time to time.

In the event of any conflict between the provisions of this Policy and of the Act or the Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

7. Dissemination of Policy:

This Policy shall be hosted on the website of the Company. A link thereto shall be provided in the Annual Report of the Company.