

## POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

### 1. Preamble

The Board of Directors of Kotak Mahindra Bank Limited ("The Bank") has adopted the following policy with regard to determining material subsidiaries.

### 2. Purpose

This policy will be applicable to the Bank and is framed as per requirement of Clause 49 (V) (D) of the Listing Agreement, (which is becoming effective 1<sup>st</sup> October 2014) entered by the Bank with the Stock Exchanges.

### 3. Policy

- a. "A subsidiary shall be considered as material if the investment of the Bank in the subsidiary exceeds twenty per cent of the consolidated net worth as per the audited consolidated balance sheet of the previous financial year or if the subsidiary has generated twenty per cent of the consolidated income of the Company during the previous financial year." Clause 49 (V) (E)
  - b. "A material non-listed Indian subsidiary" shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year".( Explanation I to Clause 49 (V))
4. The Group Consolidation team will be responsible for monitoring these and to determine which of the subsidiaries fall within the definition of material unlisted subsidiary. As regards 3 a, the monitoring will happen every time there is an investment by the Bank in a subsidiary. For 3 b, the monitoring will be done at the time of finalizing the consolidated audited accounts.
5. The above policy will be modified to be in line with regulations including the Companies Act and guidelines issued by SEBI.