

October 06, 2026

Kotak Mahindra Investments Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating outstanding	Financial Sector Regulator [#]
Non-convertible debentures	5,786.50	5,786.50	[ICRA]AAA (Stable); reaffirmed	SEBI
Non-convertible debentures	213.50	-	[ICRA]AAA (Stable); reaffirmed and withdrawn	SEBI
Subordinated debt programme	150.00	150.00	[ICRA]AAA (Stable); reaffirmed	SEBI
Subordinated debt programme	50.00	-	[ICRA]AAA (Stable); reaffirmed and withdrawn	SEBI
Commercial paper programme	7,000.00	7,000.00	[ICRA]A1+; reaffirmed	RBI
Commercial paper (IPO financing) programme	3,500.00	3,500.00	[ICRA]A1+; reaffirmed	RBI
Total	16,700.00	16,436.50		

*Instrument details are provided in Annexure I

[#] SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI

Rationale

Kotak Mahindra Investments Limited (KMIL), vide its stock exchange filing dated [September 25, 2026](#), informed that its Board of Directors has approved a scheme of merger of KMIL with and into Kotak Alternate Asset Managers Limited (KAAML), subject to requisite statutory and regulatory approvals, including those from the Reserve Bank of India (RBI), shareholders, creditors and other regulatory authorities. Upon the scheme becoming effective, KMIL intends to transfer its assets and liabilities (including the balance outstanding listed NCDs) to KAAML. The development as per the above is in continuation of the company's earlier intimation dated [March 24, 2026](#), wherein, pursuant to the [RBI's December 2025 guidelines](#) and as part of the Kotak group's simplification initiatives and operational synergies, Kotak Mahindra Bank Limited (KMBL; rated [ICRA]AAA (Stable)¹) decided to undertake KMIL's lending activities departmentally within the bank with effect from April 1, 2026. Consequently, KMIL ceased sanctioning new loans from April 1, 2026, while continuing to service its existing loan portfolio and honour obligations under pre-existing facility agreements. Further, as disclosed in its press release dated July 02, 2026, KMIL transferred loans amounting Rs 9,587.62 crore to KMBL through direct assignment, reflecting the ongoing migration of its lending business within the group structure.

The credit ratings for KMIL continue to derive comfort from the 100% shareholding of KMBL, which remains unchanged because of the event. The ratings consider the shared brand name and KMBL's representation on KMIL's Board of Directors. ICRA takes note of the cessation of operations at KMIL following the transfer of lending activities to KMBL, which has reduced the company's standalone earnings and business profile. However, ICRA expects KMIL to receive support from the parent, if required, given its wholly owned status and reputational linkages with the Kotak franchise.

The Stable outlook factors in the expectation that the company will continue to receive support from KMBL, if required.

¹ For infrastructure bonds

ICRA has withdrawn the rating on the non-convertible debenture programme of Rs. 213.5 crore and subordinate debt of Rs. 50 crore, as these instruments have been redeemed in full, with no dues outstanding against the same. The ratings have been withdrawn in accordance with ICRA's policy on the withdrawal of credit ratings.

Key rating drivers and their description

Credit strengths

Strong parentage – KMIL, a wholly owned subsidiary of KMBL, continues to derive strength from its strong parentage and linkages with the Kotak Group. Historically, the company has benefited from the financial, managerial and operational support from the group, including timely access to capital, oversight through board representation and the advantages associated with the well-established Kotak brand franchise. While the lending business has now been migrated to KMBL as part of the group's organisational restructuring, ICRA expects KMIL to receive support from the parent, if required, given its wholly owned status and reputational linkages with the Kotak franchise.

KMIL had a net worth of Rs. 4,156 crore and its capital-to-risk weighted assets ratio (CRAR) stood at 34.9% as on March 31, 2026, supported by the sustained profitability. The company had assets under management (AUM) of Rs. 11,549 crore on March 31, 2026. With the assignment of the Rs. 9,588-crore loan book to KMBL in July 2026 and the repayments, the residual AUM of loans & advances has reduced to Rs. 988 crore as on August 31, 2026. Consequently, the borrowings of the company also reduced to Rs. 5,936 crore as on August 31, 2026 from Rs. 10,481 crore as on March 31, 2026. While a part of the proceeds was utilised to repay debt, the balance remains as liquid investments and part has been invested in NCDs and market instruments, thereby supporting liquidity.

Credit challenges

Winding down of operations – KMIL's business profile has weakened following the cessation of fresh loan origination from April 1, 2026, pursuant to the group's decision to undertake lending activities departmentally within KMBL. As a result, the company's operations are now limited to servicing and managing the residual loan portfolio and honouring obligations under existing facility agreements. The transfer of assets to KMBL, including loans aggregating Rs. 9,588 crore assigned in July 2026, has further reduced the scale of standalone operations. The absence of fresh business generation and the transfer of loan assets have reduced the company's standalone earnings and business profile. ICRA, however, draws comfort from the continued support provided by the group to the entity.

Liquidity position: Strong

The company had unencumbered cash and cash equivalents of Rs. 4,463 crore as on August 31, 2026. This covers the scheduled debt obligations of Rs. 2,063 crore for the next six months. KMIL did not have any negative cumulative mismatches in the asset-liability management (ALM) profile across all buckets as on August 31, 2026. It enjoys considerable financial flexibility as being a part of the Kotak Group.

Rating sensitivities

Positive factors – Not applicable

Negative factors – A material change in the expected level of support from the parent or a material deterioration in the credit risk profile of the parent could warrant a rating downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Non-banking Finance Companies (NBFCs) Policy on Withdrawal of Credit Ratings
Parent/Group support	Parent: Kotak Mahindra Bank Limited The ratings factor in the high likelihood of financial support from KMBL to KMIL, driven by reputational and strategic considerations.
Consolidation/Standalone	Standalone

About the company

Kotak Mahindra Investments Limited (KMIL) is a wholly owned subsidiary of Kotak Mahindra Bank Limited (KMBL), which is the flagship company of the Kotak Group. It was established in 1988. KMIL was initially set up to hold the strategic investments of the Kotak Group and subsequently diversified into capital market and commercial real estate lending.

KMIL's loan book comprises lending to the real estate and other sectors and structured financing.

Key financial indicators

KMIL	FY2025	FY2026	Q1 FY2027^
Total income	1,512	1,384	56
Profit/(loss) after tax	462	429	36
Total assets	12,178	14,738	NA
Return on assets (annualised)	3.4%	3.2%	NA
Gross gearing (times)	2.2	2.5	2.1
Gross stage 3	0.8%	0.9%	1.0%
CRAR	35.9%	34.9%	38.5%

Source: Company, ICRA Research; All ratios as per ICRA's calculations; ^Q1FY2027 financials pertain solely to continuing operations and remain unaudited
Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current (FY2027)				Chronology of rating history for the past 3 years							
				FY2027		FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	Oct 06, 2026	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Non-convertible debentures programme	Long term	786.50	[ICRA]AAA (Stable)	Apr 01, 2026	[ICRA]AAA (Stable)	Dec 24, 2025	[ICRA]AAA (Stable)	-	-	-	-
Non-convertible debentures programme	Long term	213.50	[ICRA]AAA (Stable); withdrawn	Apr 01, 2026	[ICRA]AAA (Stable)	Dec 24, 2025	[ICRA]AAA (Stable)	-	-	-	-
Non-convertible debentures programme	Long term	5,000.0	[ICRA]AAA (Stable)	Apr 01, 2026	[ICRA]AAA (Stable)	Dec 24, 2025	[ICRA]AAA (Stable)	Mar 11, 2025	[ICRA]AAA (Stable)	Oct 06, 2023	[ICRA]AAA (Stable)
				-	-	-	-	-	-	Nov 27, 2023	[ICRA]AAA (Stable)
				-	-	-	-	-	-	Mar 22, 2024	[ICRA]AAA (Stable)
Commercial paper programme	Short term	7,000.0	[ICRA]A1+	Apr 01, 2026	[ICRA]A1+	Dec 24, 2025	[ICRA]A1+	Mar 11, 2025	[ICRA]A1+	Oct 06, 2023	[ICRA]A1+
				-	-	-	-	-	-	Nov 27, 2023	[ICRA]A1+
				-	-	-	-	-	-	Mar 22, 2024	[ICRA]A1+
Subordinated debt programme	Long term	150.0	[ICRA]AAA (Stable)	Apr 01, 2026	[ICRA]AAA (Stable)	Dec 24, 2025	[ICRA]AAA (Stable)	Mar 11, 2025	[ICRA]AAA (Stable)	Oct 06, 2023	[ICRA]AAA (Stable)
				-	-	-	-	-	-	Nov 27, 2023	[ICRA]AAA (Stable)
				-	-	-	-	-	-	Mar 22, 2024	[ICRA]AAA (Stable)
Subordinated debt programme	Long term	50.0	[ICRA] AAA (Stable); withdrawn	Apr 01, 2026	[ICRA]AAA (Stable)	Dec 24, 2025	[ICRA]AAA (Stable)	Mar 11, 2025	[ICRA]AAA (Stable)	Oct 06, 2023	[ICRA]AAA (Stable)
				-	-	-	-	-	-	Nov 27, 2023	[ICRA]AAA (Stable)
				-	-	-	-	-	-	Mar 22, 2024	[ICRA]AAA (Stable)
Commercial paper (IPO financing) programme	Short term	3,500.0	[ICRA]A1+	Apr 01, 2026	[ICRA]A1+	Dec 24, 2025	[ICRA]A1+	Mar 11, 2025	[ICRA]A1+	Oct 06, 2023	[ICRA]A1+
				-	-	-	-	-	-	Nov 27, 2023	[ICRA]A1+
				-	-	-	-	-	-	Mar 22, 2024	[ICRA]A1+

Complexity level of the rated instruments

Instrument	Complexity indicator
Non-convertible debentures programme	Simple
Subordinated debt programme	Simple
Commercial paper programme	Simple
Commercial paper (IPO financing) programme	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook	Financial Sector Regulator [#]
INE975F07IE6	Non-convertible debentures	Feb 23, 2023	8.1379%	Jun 23, 2026	88.50	[ICRA]AAA (Stable); withdrawn	SEBI
INE975F07IE6	Non-convertible debentures	Mar 14, 2023	8.1379%	Jun 23, 2026	25.00	[ICRA]AAA (Stable); withdrawn	SEBI
INE975F07IE6	Non-convertible debentures	Apr 18, 2023	8.1379%	Jun 23, 2026	100.00	[ICRA]AAA (Stable); withdrawn	SEBI
INE975F07IM9	Non-convertible debentures	Sep 27, 2023	8.0359%	Oct 06, 2026	230.00	[ICRA]AAA (Stable)	SEBI
INE975F07IM9	Non-convertible debentures	Nov 13, 2023	8.0359%	Oct 06, 2026	50.00	[ICRA]AAA (Stable)	SEBI
INE975F07IM9	Non-convertible debentures	Mar 21, 2024	8.0359%	Oct 06, 2026	250.00	[ICRA]AAA (Stable)	SEBI
INE975F07IO5	Non-convertible debentures	Oct 26, 2023	8.2185%	Nov 27, 2026	300.00	[ICRA]AAA (Stable)	SEBI
INE975F07IP2	Non-convertible debentures	Nov 13, 2023	8.1929%	Jan 28, 2027	175.00	[ICRA]AAA (Stable)	SEBI
INE975F07IP2	Non-convertible debentures	Dec 06, 2023	8.1929%	Jan 28, 2027	200.00	[ICRA]AAA (Stable)	SEBI
INE975F07IP2	Non-convertible debentures	Mar 21, 2024	8.1929%	Jan 28, 2027	250.00	[ICRA]AAA (Stable)	SEBI
INE975F07IQ0	Non-convertible debentures	Dec 28, 2023	8.2366%	May 27, 2027	80.00	[ICRA]AAA (Stable)	SEBI
INE975F07IR8	Non-convertible debentures	Mar 21, 2024	8.3774%	Jun 21, 2027	500.00	[ICRA]AAA (Stable)	SEBI
INE975F07IS6	Non-convertible debentures	Mar 21, 2024	8.3721%	Aug 20, 2027	456.00	[ICRA]AAA (Stable)	SEBI
INE975F07IT4	Non-convertible debentures	Jul 01, 2025	7.3286%	Aug 11, 2028	200.00	[ICRA]AAA (Stable)	SEBI
INE975F07IV0	Non-convertible debentures	Aug 22, 2025	7.3382%	Nov 28, 2028	300.00	[ICRA]AAA (Stable)	SEBI
INE975F07IQ0	Non-convertible debentures	Oct 15, 2025	8.2366%	May 27, 2027	50.00	[ICRA]AAA (Stable)	SEBI
INE975F07JB0	Non-convertible debentures	Jan 21, 2026	7.6101%	Feb 21, 2029	300.00	[ICRA]AAA (Stable)	SEBI
INE975F07JA2	Non-convertible debentures	Jan 21, 2026	7.6091%	May 23, 2029	200.00	[ICRA]AAA (Stable)	SEBI
INE975F07JD6	Non-convertible debentures	Feb 24, 2026	7.4735%	Oct 30, 2028	200.00	[ICRA]AAA (Stable)	SEBI
INE975F07JC8	Non-convertible debentures	Feb 24, 2026	7.5836%	Aug 29, 2029	300.00	[ICRA]AAA (Stable)	SEBI
Not yet placed	Non-convertible debentures	NA	NA	NA	1,745.50	[ICRA]AAA (Stable)	SEBI
INE975F08CR9	Subordinated debt programme	Dec 31, 2015	9.0000%	Dec 31, 2025	50.00	[ICRA]AAA (Stable); withdrawn	SEBI
INE975F08CS7	Subordinated debt programme	Dec 20, 2016	8.3500%	Dec 18, 2026	50.00	[ICRA]AAA (Stable)	SEBI
INE975F08CT5	Subordinated debt programme	Mar 24, 2017	8.5500%	Mar 24, 2027	100.00	[ICRA]AAA (Stable)	SEBI
INE975F14C74	Commercial paper programme	Dec 15, 2025	7.1500%	Dec 11, 2026	120.00	[ICRA]A1+	RBI

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook	Financial Sector Regulator [#]
INE975F14C74	Commercial paper programme	Dec 17, 2025	7.1500%	Dec 11, 2026	75.00	[ICRA]A1+	RBI
Not yet placed	Commercial paper programme	NA	NA	7-365 Days	6,805.00	[ICRA]A1+	RBI
Not yet placed	Commercial paper (IPO financing) programme	NA	NA	7-365 Days	3,500.00	[ICRA]A1+	RBI

Source: Company; As on September 30, 2026;

[#] SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI

Annexure II: List of entities considered for consolidated analysis: Not applicable

ANALYST CONTACTS

Ashish Modani

+91 22 6169 3300

ashish.modani@icraindia.com

Neha Parikh

+91 22 6114 3426

neha.parikh@icraindia.com

Rushabh Gohel

+91 22 6114 3427

rushabh.gohel@icraindia.com

Sachin Sachdeva

+91 124 4545 307

sachin.sachdeva@icraindia.com

Jaina Bhojani

+91 22 6114 3428

jaina.bhojani@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



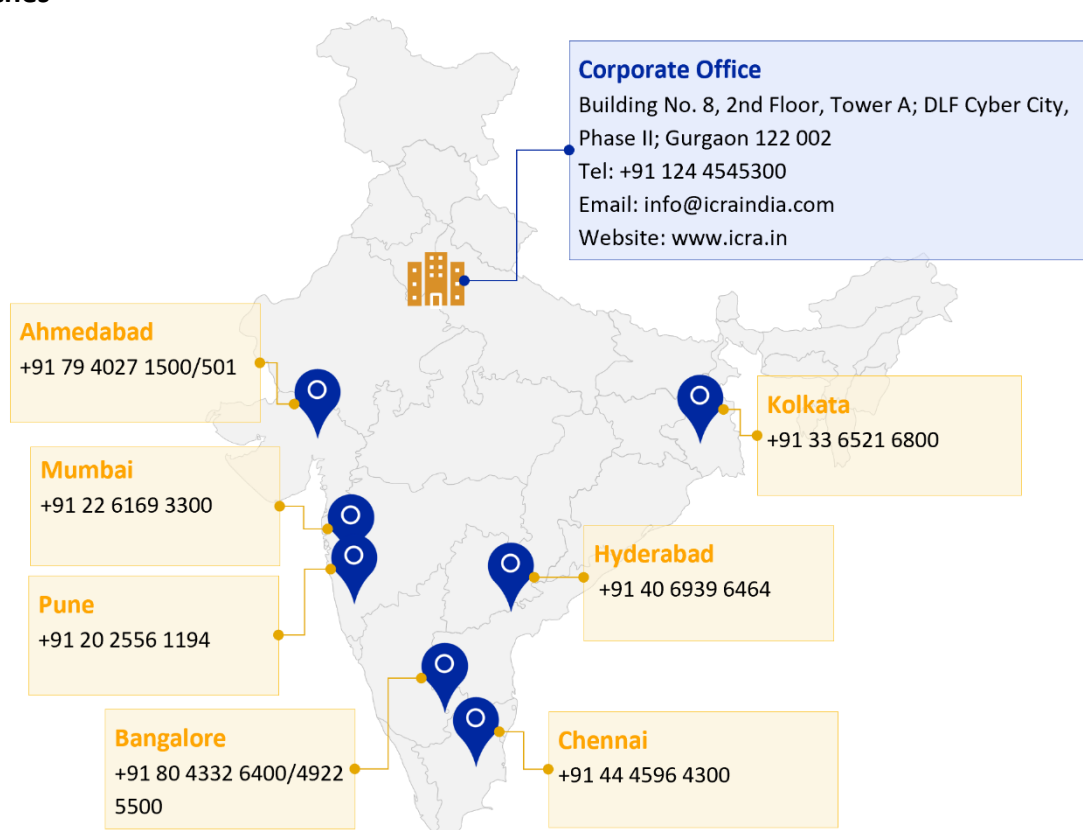
Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2026 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.