

# Kotak Mahindra Prime Limited's Corporate Social Responsibility Policy

## Preamble

Kotak Mahindra Prime Limited (“KMPL” / “Company”) recognises the immense opportunity it has to bring about a positive change in the lives of communities through its business operations and Corporate Social Responsibility (“CSR”) initiatives.

KMPL aspires to contribute significantly towards the economic, environmental and social growth of the nation. This CSR Policy sets out the Company’s vision, mission, governance, and CSR focus areas.

KMPL shall ensure that its policy, projects and programmes are compliant with the CSR mandate as specified under Sections 134, 135 read with Schedule VII of the Companies Act, 2013 (“Act”) along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“CSR Rules, 2014”), as amended from time to time and in line with the Government of India’s notifications issued from time to time (collective referred as “Act”). KMPL also endeavors’ to align its CSR projects and programmes with Government initiated social development programmes and interventions and United Nation’s (“UN”) Sustainable Development Goals (“SDGs”)

## Vision

To improve the quality of life of communities through positive impact on economic, social and environmental parameters and in alignment with India’s social development objectives and UN’s SDGs.

## Mission

To create a lasting value for communities in need by addressing pressing development challenges in the country through various interventions in the areas of Education, Livelihood, Healthcare, Environment Conservation & Sustainable Development, Sports, and Relief & Rehabilitation.

### **Scope of KMPL's CSR Policy**

KMPL's CSR activity shall be within the scope of the CSR mandate as specified under the Act. CSR Projects would be guided by the applicable regulations and would seek to achieve social objectives and impact as envisaged in the CSR mission.

Provided that the CSR activities undertaken by KMPL, as stated above, shall not include the following:

- (i) Activities undertaken in pursuance of normal course of business of KMPL;
- (ii) Activities undertaken by KMPL outside India, except for training of Indian sports personnel representing any State or Union Territory at National level or India at an International level;
- (iii) Contribution of any amount directly or indirectly to any political party under Section 182 of the Act;
- (iv) Activities benefitting employees of KMPL as defined in Clause (k) of Section 2 of the Code on Wages, 2019;
- (v) Activities supported by KMPL on sponsorship bases for deriving marketing benefits for its products or services;
- (vi) Activities carried out for fulfillment of any other statutory obligations under any law in force in India.

### **Statement of Commitment**

KMPL, at all times, is committed to:

- Devise its CSR agenda by engaging with communities to understand their material expectations and concerns.
- Implement, monitor, review and evaluate CSR initiatives to achieve the desired outcomes in a transparent manner.
- Undertake projects in the areas of inter-alia enabling access to quality education, enhancing vocational skills and livelihood, promoting preventive healthcare, environment and sustainable development, sports and other avenues to contribute towards reducing inequalities faced by socially and economically backward groups and promoting inclusive growth in the country Adopting a collaborative approach by establishing strategic associations with governmental, non-governmental agencies ("NGOs") and/or other institutions to leverage sectoral expertise and collectively deliver impactful community development initiatives.
- Ensure that surplus arising out of CSR initiatives is utilised to further augment the CSR agenda and that such surplus does not form part of KMPL's profits.

- Comply with all legal provisions applicable for CSR and adopt best industry practices, wherever feasible.

### **Guiding Principle for Implementation of CSR activities**

Given the enormity of India's social development requirement, KMPL will either directly implement its CSR projects and programmes, and /or engage with eligible agencies, meeting the minimum criteria as set out in the Act

### **Direct CSR Projects**

CSR Projects undertaken, executed and implemented by KMPL under its Direct CSR Projects may include engagement and involvement of various stakeholders including employees, for the purpose of implementation and monitoring. KMPL may also engage third party organisations / consultants etc. for the purpose.

### **CSR Projects with Implementing Agencies**

KMPL may engage an Implementing Agency as permitted under the Act for implementation of its CSR Projects. In such cases, KMPL acts as the funding organisation, and the project is implemented by / through the Implementing Agency. Further, in such cases, KMPL's responsibility is restricted to impact outcomes of its CSR Projects only and KMPL shall not be liable for any acts of omission and commission, and such other civil and criminal liabilities of its implementing agencies.

### **Implementing Agencies**

For CSR Projects not implemented directly by KMPL, the Board shall ensure that the CSR activities are undertaken by KMPL through any of the entities registered with the Central Government under the CSR Rules including:

- (a) A company established under Section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of Section 10 or registered under Sections 12A and 80 G of the Income Tax Act, 1961, established by the company, either singly or along with any other company; or
- (b) A company established under Section 8 of the Act, or a registered trust or a registered society, established by the Central Government or State Government; or
- (c) Any entity established under an Act of Parliament or a State legislature; or
- (d) A company established under Section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of Section 10 or registered

under Sections 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three (3) years in undertaking similar activities.

### **Engagement of International Organisations**

“International Organisation” means an organisation as defined under the Act. KMPL may engage International Organisation(s) for designing, monitoring and evaluation of the CSR projects or programmes as well as for capacity building of its personnel for CSR.

### **Monitoring**

The CSR Committee of the Board of Directors of KMPL will ensure a transparent monitoring mechanism for ensuring effective implementation of the projects / programs/ activities proposed to be undertaken by the Company in pursuance of its CSR obligations.

The CSR Committee will be responsible for monitoring the approved projects and/or programmes and will ensure that the funds are utilised for the approved purpose and in the manner approved by the Board of KMPL.

A system will be put in place to maintain a transparent monitoring and reporting mechanism across all the stakeholders involved in the CSR activities of KMPL,

In case of a multi-year project, having timelines not exceeding three (3) years, excluding the Financial Year in which it was commenced, undertaken by KMPL in fulfillment of its CSR obligations (including projects that were initially not approved as a multi-year project but whose duration has been extended beyond one year by the Board) (“Ongoing Project”), the Board shall monitor the implementation of such Ongoing CSR project with reference to the approved timelines and year-wise allocation. The Board may also make modifications, for smooth implementation of such project within the overall permissible time period.

### **CSR Project Expenditure / CSR Funds**

The Board shall ensure that in every financial year, KMPL meets its prescribed CSR requirement in pursuance to the provisions of this CSR Policy and in accordance with the Act.

For any CSR funds that remain unspent pursuant to an Ongoing Project, KMPL shall transfer such unspent CSR funds to its Unspent Corporate Social Responsibility Account, within 30 (thirty) days from the end of the Financial Year. Such unspent CSR funds shall then be spent in accordance with the terms of this CSR Policy, within a period of three (3) Financial Years from the date of such transfer, failing which, KMPL shall transfer the same to a Fund specified in Schedule VII of the Act, within a period of thirty (30) days from the date of completion of the third financial year.

As per the applicable law, such Unspent CSR funds, pertaining to Ongoing CSR Projects for the Financial Year, which are transferred to Unspent Corporate Social Responsibility Account will be considered as part of the prescribed CSR requirement for the Financial Year.

In case KMPL CSR spends (including amount transferred to Unspent Corporate Social Responsibility Account) is less than prescribed CSR requirement under the Act, the Board in its report made under Section 134(3)(o) of the Act, shall specify the reasons for not spending the said amount and such unspent funds shall be transferred to the Fund specified under the Act, within a period of six (6) months of the expiry of the financial year.

Any surplus arising out of the CSR activities carried on by KMPL, shall not form part of the business profit of KMPL and shall be dealt with in the following manner:

- (i) Surplus shall be ploughed back either into the same CSR project and/or programme; or
- (ii) Surplus shall be transferred to the Unspent CSR Account and spent in pursuance of this CSR Policy and the annual action plan of KMPL; or
- (iii) Surplus shall be transferred to a Fund specified under Schedule VII of the Act;

within a period of 6 (Six) months of the expiry of the financial year.

In the event that KMPL spends an amount in excess of the requirement provided under Section 135(5) of the Act, such excess amount may be set-off against the requirement to spend under Section 135(5) of the Act, up to immediate succeeding three (3) financial years subject to the conditions that such excess amount shall not include surplus arising out of the CSR activities and the Board shall pass a resolution to that effect.

The CSR funds may also be utilized for creation or acquisition of capital asset, to be held by either the beneficiaries of the CSR project such as entities, collectives or self-help groups; a public authority; or a company incorporated under Section 8 of the Act or a registered public trust, registered society with a charitable objective and a CSR registration number.

The Board shall satisfy itself that the disbursed funds have been utilised for the purposes and in the manner approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.

### **CSR Reporting**

The Board's report pertaining to any Financial Year containing details of the CSR initiatives taken during such Financial Year, would include an annual report on CSR in the form and manner prescribed under the Act .

## **Boundary**

While KMPL will endeavour to implement its projects and programmes in and around the geographies where it carries its business and operations, KMPL may also implement its CSR programmes and/or projects either directly or with implementing agencies in any geography within India to serve and support people in need and/or towards nation building.

## **Key Focus Areas**

### **(I) CSR Focus Area: Education**

Through its CSR focus area - Education, KMPL will endeavour to enhance accessibility and affordability of quality education

KMPL's initiatives on Education will focus on enhancing capacity of students, teachers and relevant stakeholders, enabling access to quality education through robust infrastructure development, scholarships and curriculum development. KMPL will also support interventions like special education for differently abled children and youth.

KMPL shall design programmes on imparting road safety education and awareness amongst various beneficiary segments

### **(II) CSR Focus Area: Livelihood enhancement**

KMPL's Livelihood programmes and/or projects will work towards imparting vocational skills to children, youth, women and differently-abled individual including school and college dropouts. KMPL will undertake initiatives to enable/improve access to skill development training in automotive trades which will enhance opportunities of the beneficiaries in gaining employment in automobile workshops, car showrooms, automobile retail traders etc. KMPL may also undertake programmes based on driver training, to enhance driving skills for both men and women, leading to an improvement in productivity and better earnings

### **(III) CSR Focus Area: Healthcare**

Through its CSR focus area – Healthcare, KMPL will undertake projects and programmes in the healthcare and sanitation domain that improve either availability/quality/ accessibility or affordability of healthcare services. Towards this objective, KMPL may support augmentation of healthcare infrastructure in the public healthcare system as well as private and charitable healthcare facilities. KMPL may support programmes to enhance a resilient road safety infrastructure

KMPL may also provide screening vans and mobile health units, and provide preventive and curative care, palliative care support services. KMPL will also support projects that provide early detection and rehabilitation services for differently abled.

KMPL may also undertake any other programmes and/or projects which would focus on the healthcare sector, as may be approved by the CSR Committee.

#### **(IV) CSR Focus Area: Environment & Sustainable Development**

Through its CSR focus area – Environment & Sustainable Development, KMPL will undertake projects and programmes around developing natural resources and nature based solutions with an ecosystem restoration approach while benefitting the communities in rural and urban landscapes. KMPL may also support intervention in waste management, wildlife conservation, promoting alternate energy and promoting energy efficiency and energy conservation.

#### **(V) CSR Focus Area: Relief & Rehabilitation**

KMPL may undertake and support various relief and rehabilitation activities with an aim to provide immediate response to reduce or prevent the spread of disease. In case of natural calamities/disasters, KMPL may commit funds towards disaster management focused on addressing preparedness, response, and recovery to mitigate the impact of disasters and ensure prompt assistance to the affected population. Along with short term measures for immediate disaster relief, KMPL will undertake programmes that engage with the community for long-term rehabilitation solutions including but not limited to focusing on livelihood enhancement, providing shelter and infrastructure for education and health services to ensure effective recovery.

KMPL may also undertake any other programmes and/or projects which would focus on the Relief & Rehabilitation, as may be approved by the CSR Committee.

#### **(VI) CSR Focus Area: Sports**

Through its CSR Programme on Sports, KMPL will undertake projects that will impart training and coaching as well as work towards development of world class infrastructure and training facilities to enhance preparedness of youth for nationally recognised sports, international and world championships, Olympics and Para Olympics.

KMPL may also undertake any other programmes and/or projects which would focus on the sports sector, as may be approved by the CSR Committee.

KMPL's priority will be to implement CSR projects and programmes which come under CSR Focus areas as defined in this CSR Policy statement, but it will not be restricted to these defined CSR focus areas only. On a case-to-case basis, KMPL may also consider undertaking CSR programmes and/or projects on CSR focus areas which are eligible under the Act and as may be approved by the CSR Committee.

### **CSR Impact Assessment**

KMPL shall engage independent agencies to undertake impact assessment of its CSR projects and/or programmes eligible under the Act. The impact assessment reports shall be placed before the Board and annexed to the annual report on CSR.

### **CSR Administrative Overheads Expenses**

As per the provisions of the CSR Rules the Board shall ensure that the administrative overheads (the definition has been set out below) shall not exceed five percent of total CSR expenditure of KMPL for the financial year.

### **Meaning and scope of 'Administrative Overheads' for CSR as defined under the CSR Rules, 2014**

*"Administrative overheads" means the expenses as defined under Rule 2(b) of the CSR Rules, 2014, as amended from time to time*

### **Governance Framework**

KMPL has an established CSR Committee, which is responsible for the overall governance of CSR. The CSR Committee comprises of three (3) or more directors, out of which at least one (1) is an Independent Director.

The CSR Committee will be responsible to review and approve the projects/programmes under KMPL's CSR Policy (and the approved annual action plan)..

The CSR Committee will also be responsible for formulating an annual action plan in consonance with this CSR policy and recommending such annual action plan to the Board. The annual action plan shall include the following information:

- I. A list of CSR projects or programmes that are approved to be undertaken by KMPL or subjects specified in Schedule VII of the Act;
- II. The manner of execution of such CSR projects and programmes;

- III. The modalities of utilization of funds and implementation schedules for the projects or programmes;
- IV. Monitoring and reporting mechanism for the projects or programmes; and
- V. Details of need and impact assessment, if any, for the projects undertaken by KMPL

Based on the recommendations of the CSR Committee and reasonable justification, the Board shall approve the Annual Action Plan for KMPL and have the right to alter such annual action plan at any time during a Financial Year.

### **Information Dissemination**

1. Appropriate documentation of KMPL's CSR Policy, annual CSR activities, implementing agencies, and expenditure entailed will be undertaken on a regular basis and the same will be available in the public domain.
2. CSR initiatives of KMPL will also be reported in the Annual Report of KMPL.
3. This CSR Policy shall be uploaded on KMPL's website for information of all stakeholders.

### **Effective date of Policy**

The Board approved the policy on 23<sup>rd</sup> December 2024. This CSR Policy Statement is effective from 23<sup>rd</sup> December 2024 and supersedes all earlier KMPL's CSR Policy Statements.

### **Law to take precedence and Amendments**

In the event of any variation or inconsistency between the provisions of this Policy and applicable law, the provisions of the applicable law shall prevail over this Policy and the provisions of this Policy shall be deemed to have been amended so as to be read in consonance with such applicable law.

For Further information, write to [CSRKMPL@kotak.com](mailto:CSRKMPL@kotak.com)

23<sup>rd</sup> December 2024

**Mumbai**