



Kotak Mahindra Investments Limited
Corporate Social Responsibility Policy

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Index

No.	Headings	Page no.
I.	Preamble, Vision and Mission	3
II.	Scope of KMILC's CSR Policy	4
III	Statement of Commitment	5
IV.	Guiding Principle for Selection, Implementation and Monitoring of CSR activities	5
V.	CSR expenditure and funds / reporting	7
VI.	CSR focus areas	8
VII.	Impact Assessment	10
VIII.	Administrative expenses	10
IX	Governance Framework	11
X	Information dissemination	11
XI	Review of Policy	12

I. Preamble, Vision and Mission

Kotak Mahindra Investments Ltd. (“KMIL”) recognises the immense opportunity it has, to bring about a positive change in the lives of the communities through its business operations and Corporate Social Responsibility (“CSR”) initiatives.

This CSR policy sets out KMIL’s vision, mission, governance, and CSR focus areas to fulfill its inclusive growth agenda in India.

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

Vision

To improve the quality of life of the 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 Enhancement, Healthcare, Environment & Sustainable Development, Sports, and Relief & Rehabilitation.

KMIL has defined CSR Focus Areas to make a concerted effort to achieve a meaningful and measurable social impact.

KMIL has defined CSR Focus Areas to make a concerted effort to achieve a meaningful and measurable social impact. On a case-to-case basis, the CSR programs and/or projects which are outside KMIL’s defined six CSR Focus Areas but are eligible CSR activities under Section 135 read with schedule VII of the Act along with the CSR Rules, 2014 as amended from time to time and in line with the Government of India’s notifications issued from time to time, shall be approved by the Corporate Social Responsibility Committee (CSR Committee).

II. Scope of KMIL’s CSR Policy

KMIL’s CSR Policy is within the scope of the CSR mandate as specified under the Act, KMIL’s 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 KMIL, shall not include the following:

- (i) Activities undertaken in pursuance of normal course of business of KMIL;

- (ii) Activities undertaken by KMIL 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 KMIL as defined in Clause (k) of Section 2 of the Code on Wages, 2019;
- (v) Activities supported by KMIL on sponsorship bases for deriving marketing benefits for its products or services;
- (vi) Activities carried out for fulfilment of any other statutory obligations under any law in force in India.

III. Statement of Commitment

KMIL, at all times, is committed to:

- Devise its CSR agenda by engaging with communities to understand their material expectations and concerns.
- Undertake projects inter-alia in the areas of enabling access to quality education, enhancing vocational skills and livelihood, promoting healthcare (including preventive healthcare), environment and sustainable development, sports and relief & rehabilitation 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 partnerships 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 KMIL’s profits.
- Comply with all legal provisions applicable for CSR and adopt best industry practices, wherever feasible.

Guiding Principle for Selection, Implementation and Monitoring of CSR activities – Given the enormity of India’s social development requirement, KMIL will either directly implement its CSR projects and programmes, and /or engage with eligible agencies, meeting the minimum criteria as set out under the Act .

1. Direct CSR Projects

CSR Projects undertaken, executed and implemented by itself (KMIL) and may include engagement and involvement of various stakeholders including employees, KMIL may also engage third party organisations /vendors/ consultants etc. KMIL

2. CSR Projects with Implementing Agencies

KMIL may engage Implementing Agency(ies) as permitted under the Act for implementation of its CSR Projects/Programmes. In such cases, KMIL acts as the funding organisation, and the project is implemented by / through the Implementing Agency to leverage sectoral expertise and collectively deliver impactful community development initiatives. KMIL’s responsibility is restricted to impact outcomes of its CSR

Projects only and KMILKMIL shall not be liable for any acts of omission and commission, and such other civil and criminal liabilities of its implementing agencies

3. Implementing Agencies

The Board shall ensure that the CSR activities are undertaken by KMIL directly or through any of the entities registered with the Central Government under the Act 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.

4. Engagement of International Organisations

KMIL 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.

“International Organisation” means an organisation as defined under Rule 2(g) of the CSR Rules, 2014. KMIL 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 Corporate Social Responsibility (“CSR”) Committee will ensure a transparent monitoring mechanism for ensuring effective implementation of the projects / programs/ activities proposed to be undertaken by the Company.

The CSR Committee would be responsible for monitoring the approved projects and/or programs and would ensure that the funds are utilized for the approved purpose to the satisfaction of the Board of Directors of KMIL

Monitoring mechanisms may include visits, meetings and progress/status reporting by the project/program teams. KMIL’s CSR activities will be periodically reviewed by the CSR Committee. KMIL

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 KMIL in fulfillment of its CSR obligations (including projects that was 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 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/ Reporting

The Board shall ensure that in every financial year, KMIL meets its obligation of spending towards CSR in pursuance to the provisions of this CSR Policy and in accordance with the Act.

KMIL

In case of any CSR funds that remain unspent pursuant to an Ongoing Project, KMIL shall transfer such unspent CSR funds to its Unspent Corporate Social Responsibility Account, within 30 (thirty) days from the end of the Financial Year or in such manner as stipulated under the Act.

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 or in such manner as stipulated under the Act, failing which, KMIL 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 or in such manner as stipulated under the Act.

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.

For any unspent CSR funds that do not relate to any Ongoing Project, KMIL shall transfer such unutilized funds to the Fund specified under Schedule VII of the Act, within a period of six (6) months of the expiry of the financial year.

In case KMIL's CSR spends including amount transferred to Unspent Corporate Social Responsibility Account) is less than prescribed CSR spending requirement under the Act, the Board in its report made under the Act, shall specify the reasons for not meeting the CSR obligations.

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

- (b) Surplus shall be ploughed back either into the same CSR project and/or programme; or
- (c) Surplus shall be transferred to the Unspent CSR Account and spent in pursuance of this CSR Policy and the annual action plan of KMIL; or
- (d) 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 KMIL 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 utilized 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 activities in the form and manner prescribed under the Act .

VI. CSR Focus Areas

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

(a) CSR Focus Area: Education

Through its CSR focus area - Education, KMIL will endeavor to enhance accessibility and affordability of quality education including special education for the differently abled children and youth.

KMIL's initiatives on Education will focus on enhancing capacity of students, teachers and relevant stakeholders, enabling access to quality education (including co-scholastic activities) through robust infrastructure development, digital technologies and content, scholarships and curriculum development. KMIL will also support interventions in special education for differently abled children. KMIL's interventions aims to provide conducive learning environment to the students

KMIL may also undertake any other programs and/or projects which would focus on the education sector, as may be approved by the CSR Committee.

(b) CSR Focus Area: Livelihood Enhancement

KMIL's Livelihood programmes and/or projects will work towards imparting vocational skills and development training courses to children, youth women differently-abled individuals, school and college dropouts etc.. KMIL may also support initiatives (including research) that improve agriculture production, value chain, promote diversified income through agri-allied sources and other themes that may benefit farmers and build resilience.

KMIL may undertake support initiatives to promote rural and urban entrepreneurship (including micro entrepreneurship) creating jobs, sustained income for the beneficiaries, and contributing to overall economic growth of the nation. For this purpose, KMIL may work with or contribute to incubators, or support research and development projects in the field of science, technology, engineering, and medicine funded by Central or State Govt. or allied sectors aimed at promoting SDGs.

KMIL may also support skill development and livelihood intervention specifically designed for differently

abled children and youth

KMIL may also undertake any other programmes and/or projects which would focus on livelihood enhancement, as may be approved by the CSR Committee.

(c) CSR Focus Area: Healthcare

Through its CSR focus area – Healthcare, KMIL will undertake projects and programmes in the healthcare and sanitation domain that improve either availability/quality/ accessibility / affordability of healthcare services. Towards this objective, KMIL may support augmentation of healthcare infrastructure in the public healthcare system as well as private charitable healthcare facilities. KMIL may also provide screening vans, mobile health units, mobility aids and provide preventive and curative care, palliative care support services.

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

(d) CSR Focus Area: Environment and Sustainable Development

Through its CSR focus area – Environment & Sustainable Development, KMIL 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. KMIL may also support intervention in water conservation, rain water harvesting, effluent treatment, alternate energy, energy efficiency and energy conservation, waste management and wildlife conservation etc.

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

(e) CSR Focus Area: Relief & Rehabilitation

KMIL may undertake and support various relief and rehabilitation activities with aim to provide immediate response to reduce or prevent the spread of disease. In case of natural calamities/disasters, KMIL 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, KMIL may also 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.

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

(f) CSR Focus Area: Sports

Through its CSR Programme on Sports, KMIL may undertake projects that 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.

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

(f) CSR activities other than its Key focus areas

KMIL may undertake CSR Projects that foster research and development activities in areas and specified under Schedule VII of the Act.

KMIL'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, KMIL 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.

VII. CSR Impact Assessment

Impact Assessment, whenever applicable, KMIL shall be governed under the Act.

CSR Administrative Overheads Expenses

As per the provisions of the Act, the Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of KMIL for the financial year. It may on-board external entity to manage the CSR function.

IX. Governance Framework

KMIL 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.

While the CSR Committee will be responsible to review and approve the projects/programmes under KMIL's CSR Policy [and the approved annual action plan], KMIL may appoint consultant/advisor/entity for execution, implementation and monitoring of CSR Projects / Programmes, which at all times will be within the scope of KMIL's CSR policy, the annual action plan, and the Act.

The CSR Committee shall 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 KMIL 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 KMIL

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

X. Information Dissemination

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

Effective date of Policy

This CSR Policy Statement is effective from **the date of Board approval** and supersedes all earlier KMIL'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.

XI. Review of Policy

The CSR Committee shall be responsible for the monitoring and review of the implementation of this Policy in accordance with applicable laws from time to time. The CSR Committee shall provide recommendations as and when it deems necessary to the Board so as to amend/ modify/revise the CSR Policy.