



Kotak Securities Limited's Corporate Social Responsibility Policy

Preamble

Kotak Securities Limited ("KSL" the "Company") 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.

KSL aspires to be a trusted partner and contributes significantly towards the economic, environmental and social growth of the nation and is also committed to contribute towards United Nation's ("UN") Sustainable Development Goals ("SDGs"). This CSR Policy sets out Company's vision, mission, governance, and CSR focus areas to fulfill its inclusive growth agenda in India.

Further, CSR at KSL is implemented collaboratively by the Company along with its employees through volunteering and engagement activities.

While ensuring that its CSR Policy, projects and programmes are compliant with the CSR mandate as specified under Sections 134, section 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. KSL also endeavours to align its CSR projects and programmes with Government initiated social development programmes and interventions and last but not the least, the UN's 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 promoting and supporting education, livelihood, healthcare, sports and environmental and sustainable development initiatives and others including reducing inequalities faced by socially and economically backward groups, relief and rehabilitation, and intervention towards an educated, employed, healthier and a cleaner India with an aim to serve

communities at large and to transform their lives, in a collaborative manner by partnering with internal and external stakeholders.

Scope of KSL's CSR Policy

KSL's CSR Policy is within the scope of the CSR mandate as specified under Sections 134(3)(o) and 135 read with Schedule VII of the Act, the CSR Rules, 2014, as amended from time to time and as per the Government of India's notifications issued from time to time and would be guided by permissible activities, viz.:

1. Eradicating hunger, poverty and malnutrition, 'promoting health care including preventive health care' and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
5. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
6. Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces ("CAPF") and Central Para Military Forces ("CPMF") veterans, and their dependents including widows;
7. Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;
8. Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund ("PM CARES Fund") or any other Fund set up by the Central Government for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

9. Contribution to incubators or research and development projects in the field of science, technology, engineering, and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
10. Contributions to public funded Universities; Indian Institute of Technology ("IITs"); National Laboratories and autonomous bodies established under Department of Atomic Energy ("DAE"); Department of Biotechnology ("DBT"); Department of Science and Technology ("DST"); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy ("AYUSH"); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation ("DRDO"); Indian Council of Agricultural Research ("ICAR"); Indian Council of Medical Research ("ICMR") and Council of Scientific and Industrial Research ("CSIR"), engaged in conducting research in science, technology, engineering and medicine aimed at promoting SDGs;
11. Rural development projects;
12. Slum area development (the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force);
13. Disaster management, including relief, rehabilitation and reconstruction activities;
14. Any other CSR activity as may be specified under Schedule VII of the Act or as may be notified by the Government of India from time to time.

The items mentioned above forms part of Illustrative list of Projects that may be undertaken by KSL which shall deemed to have been amended so as to be read in consonance with variation in applicable law from time to time.

Any other CSR activities which the Government of India may notify from time to time, shall constitute as CSR activities for the purposes of 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.

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

- (i) Activities undertaken in pursuance of normal course of business of KSL;
- (ii) Activities undertaken by KSL 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 Kotak Group as defined in Clause (k) of Section 2 of the Code on Wages, 2019;
- (v) Activities supported by Kotak Group 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

KSL, at all times, is committed to:

- Engage with communities to understand their material expectations and concerns, and will consider these material expectations and concerns to design its CSR agenda.
- Implement, monitor, review and evaluate CSR initiatives to achieve the desired outcomes in a transparent manner.
- Undertake projects in the areas of promoting education, enhancing vocational skills and livelihood, promoting preventive healthcare, environment and sustainable development, sports and others including reducing inequalities faced by socially and economically backward groups, relief and rehabilitation, and interventions towards a cleaner India with the aim to serve communities at large and to transform their lives.
- Partner with governmental agencies, non-governmental organisations (“NGOs”) and/or other institutions to collectively deliver the community development initiatives and support such organisations and institutions with appropriate and necessary resources.
- Encourage its employee to contribute and volunteer for various 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 KSL’s profits.
- Comply with all legal provisions applicable for CSR and adopt industry best practices, wherever feasible.

Guiding Principle for Implementation of CSR activities

Given the enormity of India’s social development requirement, KSL will either directly implement its CSR projects and programmes, and /or partner with eligible organisation meeting the minimum criteria as set out under the heading ‘Implementing Partner Organisation’

Direct CSR Projects

CSR Projects undertaken, executed and implemented by itself (KSL) under its Direct CSR Projects may include engagement and involvement of all stakeholders including employees, across Indian geography, and for the purpose of implementation and monitoring, the bank may also engage third party organisations / consultants etc. However, for KSL's Direct CSR Projects, the onus of responsibility on implementing and monitoring rests with KSL.

CSR Projects with Implementing Partner Organisations

CSR Project Implementing Partner in the CSR context means KSL joining-hands (partner) with an NGO to implement its CSR Projects i.e., KSL CSR Projects funded by it, thus, KSL is CSR funding partner, and implemented by / through the partner organization, thus, an implementing partner). Further, it is clarified that KSL's responsibility and liability is restricted to impact outcomes of its CSR Projects only, and in no manner will KSL will be responsible or held liable for any acts of omission and commission, and such other civil and criminal liabilities of its implementing partner organisations.

As per development sector practice and for convenience, KSL will refer to all its implementing partners as organisations and / or NGOs and / or NPOs unless otherwise specified in this CSR Policy.

Implementing Partner Organisations

The Board shall ensure that the CSR activities are undertaken by KSL itself or through any of the following entities registered with the Central Government under the CSR Rules:

- (a) A company established under section 8 of the Act, or a registered public trust or a registered society, 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, 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

KSL 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 Committee of the Board of Directors of Kotak Securities Limited ("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 programmes and would ensure that the funds are utilized for the approved purpose to the satisfaction of the Board of Directors of KSL in the manner approved by it and shall be certified by the Chief Financial Officer or the 'person' in charge of financial management.

Monitoring mechanisms may include visits, meetings and progress/status reporting by the project/programme teams. Kotak's CSR activities will be regularly reviewed by the CSR Committee. 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 Kotak, as required under Section 135 read along 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.

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 Kotak 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

The Board shall ensure that in every financial year, KSL spends at least two (2) % of its average net profits made during the three (3) immediately preceding financial years in pursuance to the provisions of this CSR Policy and in accordance with Section 135 read with Schedule VII of the Act and CSR Rules, 2014, as amended from time to time.

In the event that any CSR funds remain unspent, the Board in its report made under Section 134(3)(o) of the Act, shall specify the reasons for not spending the said amount. However, if such unspent CSR funds do not relate to any Ongoing Project, as mentioned below, such unspent funds shall be transferred to an account specified under Schedule VII of the Act, within a period of six (6) months of the expiry of the financial year.

In the event that any CSR funds remain unspent pursuant to an Ongoing Project, KSL 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, KSL 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.

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

- (i) Surplus to be ploughed back either into the same CSR project and/or programme; or
 - (ii) Surplus to be transferred to the Unspent CSR Account and spent in pursuance of this CSR Policy and the annual action plan of KSL; or
 - (iii) Surplus to 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 KSL 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 in the form and manner prescribed under Section 135 read with Schedule VII of the Act read 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.

Where in any Financial Year, KSL has an average CSR obligation of Rupees Ten Crore or more, Kotak shall undertake impact assessment of its CSR projects and/or programmes having outlays of Rupees One (1) crore or more and which have been completed not less than one (1) year before undertaking the impact assessment, through an independent agency. The impact assessment reports shall be placed before the Board and also annexed to the annual report on CSR.

Boundary

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

Philosophy

KSL 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 programmes and/or projects which are outside KSL'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 CSR Committee.

Key Focus Areas

(I) CSR Focus Area: Education & Livelihood

Through its CSR focus area - Education & Livelihood, KSL will endeavor to enhance the accessibility and affordability of quality education for deserving underprivileged sections of society including special education for the differently abled children and youth.

KSL's programmes and/or projects on Education will focus on providing financial and other resource support to educational institutions comprising infrastructure, buses, scholarships and coaching to children, teachers, headmasters, principals, administrators and trustees and parents and guardians to cater a holistic learning environment for children at school and home. The activities will also include providing mid-day meals and creating relevant infrastructure such as specialized food delivery vans,

utensils, kitchens, warehouses etc. and other required nutrition and health related support to the children.

KSL's Livelihood programmes and/or projects will work towards imparting vocational skills and development training courses to children, youth, women, war widows, war veterans, elderly, and the differently-abled including school and college dropouts or anyone who never had any formal education

(illiterate) through technical, soft and trade and commerce skills which will help them earn a livelihood and/or enhance their livelihood in rural, semi urban.

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

(II) CSR Focus Area: Healthcare

Through its CSR focus area – Healthcare, KSL will undertake projects and programmes directly and/or through implementing partners working in the healthcare and sanitation domain, including but not limited to improving access to healthcare facilities by providing ambulances, screening vans and mobile health units etc.

KSL will undertake projects and programmes in the fields of healthcare, sanitation, eradication of hunger and malnutrition, and provision of access to safe drinking water. The CSR projects and/or programmes will aim to provide preventive and curative care and also palliative care, health check-up camps to various age groups to spread awareness for prevention and cure of cancer, HIV/AIDS, tuberculosis, malaria, and other communicable and non-communicable diseases and illnesses. KSL will also undertake projects and programmes to sensitise communities on personal and community health and hygiene. To give life a fighting chance, Kotak will promote, encourage and implement blood and organ donations.

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

(III) CSR Focus Area: Environment & Sustainable Development

Through its CSR focus area – Environment & Sustainable Development, KSL will partner with NGOs working in the area of maintaining ecological balance, protection of flora and fauna, animal welfare, agriculture, agro forestry, forestry, conservation of natural resources and maintaining quality of soil, air and water.

KSL will also invest in projects and programmes for water conservation, rain water harvesting, adopting green technologies, waste reduction and recycling including effluent treatment, and reusing (3Rs) and promote, encourage and use alternate energy. Further, KSL will undertake projects and/or programmes with NGO partners that are committed to and work in areas of Environmental, Social and Governance ("ESG"), Sustainability, SDGs and CSR either through direct activities or in the form of advisory, policy

advocacy and stakeholder awareness programmes either directly or with eligible institutions under the CSR mandate.

KSL 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.

(IV) CSR Focus Area: Relief & Rehabilitation (COVID-19)

Corona Virus (COVID-19) has been declared as pandemic by the World Health Organisation (WHO), and Government of India has treated this as a notified disaster. The spread of COVID-19 in India has been widespread. Economic and social impact of the pandemic has been equally significant. Many of these issues require sustained and long term CSR support. Thus, KSL may undertake and support various relief and rehabilitation activities related to COVID-19 including under item nos. (i) and (xii) of Schedule VII of the Act relating to promotion of health care, preventive health care and sanitation, and disaster management or under such other areas as may be specified by the Ministry of Corporate Affairs from time to time in this regard. Such CSR projects and/or programmes may aim to provide immediate response to reduce or avoid potential spread of disease and losses resulting from same, assure prompt and appropriate assistance to victims of the pandemic or resulting lockdowns. KSL may also undertake projects and 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 achieve rapid and effective recovery.

In case of other calamities, pandemic or a notified disaster, KSL may commit significant portion of the CSR funds towards disaster management projects and programmes for dealing with humanitarian aspects of emergencies in particular preparedness, response and recovery in order to lessen the impact of disaster either directly and/or through implementing partners working in relief, rehabilitation and reconstruction domain, providing immediate and long term solutions, during and after a disaster with the purpose to avoid a disaster, reduce its impact or recover from its losses including but not limited to providing essential relief material such as safe drinking water, meals, clothes, medical aid & camps, and supply of daily essentials to the affected communities.

KSL may also undertake any other programmes and/or projects which would focus on the Relief & Rehabilitation (COVID-19), as may be approved by the CSR Committee.

(V) CSR Focus Area: Sports

A significantly high percentage of Indian children and youth are from the underprivileged and less privileged segment where basic education and sports education including training and coaching is not available. Sport is an activity for children and youth, and is often used as a draw card to recruit children and young people to health and education programmes. Sport development projects that focus on educational outcomes use sport as a means to deliver educational messages to participants and spectators in some cases.

The United Nations is using sport and games related projects and programmes to encourage young people, particularly girls and young women, to attend school within refugee camps across the world. The United Nations Children's Fund ("UNICEF") also lays strong emphasis on 'sport' while campaigning for girls' education, promoting education through events and other awareness campaigns.

India has a severe dearth of training and coaching facilities for sports training for the underprivileged and less privileged segment. Through its CSR Programme on Sports, Kotak will either directly or with/through NGOs impart training and coaching programmes as well as work towards development of infrastructure and training facilities to enable children, youth and adults who cannot play get training opportunities for them to take up rural sports, nationally recognised sports, international and world championships, Olympics and Para Olympics.

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

(VI) CSR Focus Area: Others

KSL'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, Kotak may also consider undertaking CSR programmes and/or projects on CSR focus

areas which are eligible 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 and as may be approved by the CSR Committee.

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 KSL for the financial year.

Meaning and scope of 'Administrative Overheads' for CSR as defined under the CSR Rules

*"Administrative overheads" means the **expenses incurred** by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme*

Governance Framework

KSL 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 KSL's CSR Policy [and the approved annual action plan], KSL's CSR head and his/her team will be responsible for execution of CSR Projects / Programmes, which at all times will be within the scope of KSL's CSR policy, the annual action plan, and the Act.

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 KSL 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 KSL

Based on the recommendations of the CSR Committee and reasonable justification, the Board shall approve the Corporate Social Responsibility Policy for KSL and have the right to alter such annual action plan at any time during a Financial Year.

Information Dissemination

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

Effective date of Policy

This CSR Policy Statement is effective from **1st April, 2021** and supersedes all earlier KSL'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 ksl.csr@kotak.com

Mumbai