

# Business Responsibility Report

Kotak Mahindra Bank Ltd. (KMBL) believes that financial institutions play a pivotal role in catalysing sustainable economic growth that can deliver equitable development for all. Translating this belief into actions, the Bank continually strives to intertwine Environmental, Social and Governance aspects with all facets of business operations and stakeholder dealings. This is implemented through KMBL's Business Responsibility (BR) agenda. A comprehensive BR policy framework supported by a robust governance structure has been adopted.

The BR disclosures presented in this report illustrate KMBL's efforts towards creating enduring value for all stakeholders in a responsible manner which also contributes to environmental sustainability. The Business Responsibility Report (BRR), covering the Bank's operations, is aligned with National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG-SEE) released by Ministry of Corporate Affairs, and is in accordance with Securities and Exchange Board of India's (SEBI) Clause 55 of the listing agreement with stock exchanges.

This report builds on the BR issues that are of material interest to KMBL and its stakeholders. The material issues' identification is based on an assessment which includes a review of KMBL's Business Vision, Mission and Values, current applicable laws and regulations, and industry risks and opportunities. This report is a transparent and balanced disclosure of KMBL's business responsibility impacts and performance covering the nine principles of NVG-SEE.

## Principle 1: Ethics, Transparency and Accountability

### Business Responsibility Governance

KMBL's philosophy of corporate governance goes beyond a set of policies and practices to promote it as an integral element of Kotak's culture. The robust corporate governance framework of the Bank guides the organisation's efforts to conduct business in an ethical, responsible and transparent manner. Details on KMBL's corporate governance structure and standards can be found in the 'Report on Corporate Governance' section of this annual report.

The corporate governance framework is supported by a whistleblower mechanism to empower employees to report wrongdoings in a free and frank manner, without the fear of reprimand. Whistleblowers are provided access to a third-party managed online portal to report such incidents, which is first of its kind in the banking sector in India. The whistleblower mechanism is also extended to customers.

KMBL constituted a Business Responsibility Committee (BRC) in FY 2012-13, which has been entrusted with the responsibility of overseeing the Bank's BR agenda and initiatives. The committee comprises of four senior executives and is chaired by a whole time director. A senior executive has been appointed as Head of Business Responsibility, who reports to this Committee.

### Business Responsibility Committee:

1	Mr. C. Jayaram	Joint Managing Director
2	Ms. Shanti Ekambaram	President, Consumer Banking
3	Mr. Karthi Marshan	Executive Vice President, Head - Group Marketing
4	Mr. Rohit Rao	Executive Vice President, Head - Group Corporate Communications, Business Responsibility & CSR

In FY 2013-14, two meetings of the Committee were held on July 3, 2013 and November 1, 2013. The meetings were attended by all members of the Committee, except Shanti Ekambaram who attended one meeting.

The Corporate Social Responsibility (CSR) performance is reviewed by the Bank's Board at Board Meetings. KMBL and its subsidiaries have reviewed its Policy Statement on Corporate Social Responsibility to strengthen it in accordance with Section 135 and Schedule VII requirements of Companies Act, 2013. The Bank has established a CSR Committee to strategically guide it in effective implementation of its Policy Statement on Corporate Social Responsibility. The CSR Committee comprises of one independent director and two whole time directors.

### CSR Committee

1	Mr. C. Jayaram	Joint Managing Director
2	Mr. Dipak Gupta	Joint Managing Director
3	Prof. S. Mahendra Dev	Independent Non-Executive Director

### Policy Framework

The Bank has institutionalised a comprehensive policy framework supported by strong internal controls, which guides the Bank's operations to achieve business excellence. Relevant regulations and standards, which are both mandatory as well as voluntary, and international best practices are considered in formulating various policies for the Bank. Compliance to various regulatory and internal policies is periodically reviewed by the Board and/or senior management and is subject to internal and/or external audit procedures. Compliance is also reported to regulatory agencies as required under various regulatory and banking norms.

Sr. No	Business Responsibility Principles	Relevant Policies
1	Ethics, Transparency and Accountability	Code of Conduct (Directors, Employees; Direct selling agents); Ethical Conduct Policy; Vigilance Policy; Whistleblower Policy; Code for Banking Practice; Compliance Policy; Internal Audit Policy; Fraud Risk Management Policy; Operational Risk Management Policy; Stress Testing Framework Policy; Group Enterprise Risk Management Policy; Disclosure Policy, Protected Disclosure Scheme; Policy Statement on Business Responsibility; Intellectual Property Rights Policy; Know Your Customer Policy & Anti Money Laundering Policy
2	Products Life Cycle Sustainability	Financial Inclusion Plan; Social Environmental Management System Plan; Policy Statement on Business Responsibility
3	Employees' Well-Being	Recruitment and Separation Policies; Employee Benefits Policies; Leave Policy; Training Policy; Prevention of Sexual Harassment Policy, Policy Statement on Human Rights and Anti-Discrimination; Policy Statement for Health, Safety & Welfare at Work Place; Policy Statement for Environment; Policy Statement on Business Responsibility, Part-time Working Policy
4	Stakeholder Engagement	Group Corporate Responsibility Policy; Policy Statement on Business Responsibility
5	Human Rights	Policy Statement on Human Rights and Anti-Discrimination; Policy Statement on Business Responsibility
6	Environment	Policy Statement for Health, Safety & Welfare at Work Place; Policy Statement for Environment; Policy Statement on Business Responsibility
7	Policy Advocacy	Policy Statement on Public-Policy Advocacy; Policy Statement on Business Responsibility
8	Inclusive Growth	Group Corporate Responsibility Policy; Policy Statement on Corporate Social Responsibility; Policy Statement on Business Responsibility
9	Customer Value	Fair Practice Code; Code for Banking Practice; Fair Practices Code for Lenders; Group Corporate Communications Policy; Third Party Distribution Policy; Protected Disclosures Scheme; Disclosure Policy; Grievance Redressal Policy; Customer's Compensation Policy; Waiver Policy; Policy Statement on Business Responsibility; Intellectual Property Rights Policy; Information Security Management Policy (Apex)

## Principle 2: Products and services designed with environmental and social opportunities

### Financial Inclusion

Formal banking system is yet to completely penetrate the largely unbanked rural areas of India. Regulators along with financial institutions and other partners have made significant strides in bridging the barriers to formal banking sector among unbanked areas by introducing initiatives like basic savings accounts, Electronic Benefit Transfers (EBT), Direct Benefit Transfers (DBT) etc. KMBL shares the vision of Reserve Bank of India (RBI) for Financial Inclusion (FI) and actively participates in the national FI agenda. KMBL views FI as a potential market opportunity, beyond a mandatory obligation, to expand its network by providing customised products and services for this segment of customers through innovative service delivery mechanism. KMBL reaches out to some of the disadvantaged, vulnerable and marginalised sections of society through this agenda and empowers them with financial solutions that can contribute to poverty alleviation through efficient money management.

KMBL has successfully implemented its three year Financial Inclusion Plan (FIP) introduced in 2010, and has rolled out its new three year FIP in 2013 with renewed vigour. The Bank's Board approved FIP is integrated with its business plans to achieve wider outreach through evolving models and leverage on technology-based solutions. Specialised resources have been deployed to successfully implement FIP.

A total of over 42,000 Basic Savings Bank Deposit Accounts (BSBDA) & Small accounts were added in FY 2013-14, taking the cumulative total to over 3,07,000. KMBL continued the Business Correspondents (BC) arrangement with FINO Fintech Foundation and Manipal Technologies Limited. KMBL and its BC partners work in tandem to create customer awareness relating to the latest financial services offered by the bank. Information on products offered under the FI initiative is also made available in local languages, enabling customers to better understand the products.

In FY 2013-14, KMBL has issued over 16,600 instant Smart Cards (E-Pass book) to BSBDA & Small accounts' account holders. The cumulative smart cards issued till date are over 2,30,000. Until March 31, 2014, cumulatively, the Bank has reached out to around 800 villages with basic banking services through deployment of 215 Customer Service Points (CSP) using the BC model.

The facility of linking bank accounts with the Aadhar number for customers has been popularised during the year to avail benefits of the Direct Benefit Transfer (DBT) scheme among customers by the branches. In FY 2013-14, KMBL has started full-fledged disbursement of Mahatma Gandhi-National Rural Employment Guarantee Act (MG-NREGA) wages at three districts of Chhattisgarh namely Balodabazar, Bilaspur and Mungeli. Under this initiative, the Bank has opened over 1,53,000 cumulative Basic Savings Bank Deposit Accounts (BSBDA) with Smart Cards, deployed 133 Customer Service Points (CSP) for beneficiaries spread across nearly 500 villages and have successfully disbursed payment of over ₹ 16 crore.



KMBL Business Correspondent-Customer Service Point at Bilaspur District Chhattisgarh for MG-NREGA led FI

KMBL has made progress in executing its rural India strategy. The Bank views rural India as an opportunity, and not only as a means to fulfil its agriculture and priority sector lending obligations. It has during the year increased its presence by adding four agriculture specialised branches and 137 branches in tier 2 to 6 towns. This will help the Bank get closer to its customers and provide better services. The Bank has a strong presence in tractor financing. The bank's agriculture portfolio, besides tractor finance, includes agri processing units, traders in grain and pulses, exporters, warehouses and cold storage. The agri-business solutions are designed to capture the complete agriculture value chain (end-to-end) and provide multiple financial options of superior value. The Bank has also successfully been able to leverage its in-depth understanding of the customer's business practices and seasonal variations in creating customised banking products to meet customer needs.

### Kotak Samridhi – Financial Inclusion for milk producing farmers

KMBL is committed to the national Financial Inclusion agenda and continually seeks to explore opportunities to bring formal banking system a step closer to rural populace. The Bank's committed and concerted efforts with Amul Dairy and National Payment Corporation of India (NPCI) have resulted in the launch of Kotak Samridhi – a financial inclusion programme for milk producing farmers. Through this initiative, farmers of registered milk unions receive payments against supply of milk through the Bank using Card Products / accounts. Kotak Samridhi is a first-of-its-kind financial inclusion initiative to be launched on NPCI's RuPay platform. Farmers benefit from transparent transactions and reduction in inefficiencies of physical cash handling. They also have access to NPCI's RuPay ATM and POS network. The phase I of the initiative will eventually benefit 7,000+ milk producing farmers of registered milk unions in 78 villages in select few districts including Hooghly & Bardhaman of West Bengal state. The success of the initiative is a testimony of the extensive engagement done by the Bank with milk unions to integrate their expectations through product solution development. The Bank is geared up for the phase II of the initiative in the state of Gujarat. Extending the same thought process, the Bank is also exploring such initiatives to integrate formal banking channels / products with procurement practices at various unique market places.



Uday Kotak, EVC and MD and Dr. K. C. Chakrabarty, Deputy Governor, Reserve Bank of India launch Kotak Samridhi – financial inclusion programme for milk producing farmers

Tractor financing is another key solution that the Bank offers to rural customers. Tractors play a crucial role in farm mechanisation and transportation of agricultural goods and other materials. The success stories of some of the tractor financing customers stand testimony to how tractor financing can transform meagre incomes to sustainable livelihoods.

### Making a difference

Valmik Rambau Datrak is a small farmer in Chalisingaon village of Maharashtra. The Bank supported him through a tractor finance loan for cultivating his rainfed agricultural land. The relationship of the Bank did not just end with him but also continued with his next generation. The Bank has now supported his son in establishing his transport business through a commercial vehicle loan. Both father and son are proud customers of KMBL and have prospered in agriculture and transportation businesses.



Sunil Shiram Patil and his father pursue agriculture for livelihood. Sunil's father was a traditional farmer who had little knowledge of mechanised farming methods. Sunil convinced his father to pursue mechanised farming and got a tractor loan from KMBL, which helped them improve their crop productivity significantly. Seeing this as an opportunity in his village and in surrounding areas, Sunil wanted to explore the idea of tractor renting business. KMBL believed in him and supported him to purchase an additional tractor for his rental business. With growing demand for such rentals in the village, Sunil now has expanded his business with two more tractors through loans from the Bank. KMBL is proud to support such enterprising people who create their own success path.



**Principle 3: Employee well-being****Employee development and well-being**

The diverse and vibrant workforce fuels the growth engine of the Bank. Employee well-being and holistic development are cornerstones of the Bank's people agenda. The people policies of the Bank endeavour to provide an inspiring work environment that is safe, secure, non-discriminatory and to reward them with definitive career paths.

The Bank's HR processes are aligned to its Employer Value Proposition 'FLAME' and business outcomes.

F - Focus on results

L - Opportunity to work with senior leadership of the organisation

A - Active involvement/inclusiveness

M - Maximum challenge and

E - Entrepreneurial creativity

Talent development and acquisition is prime focus of the Bank's people agenda. The talent management processes aim to build stability and scalability at all levels of the organisation. Towards this end, individual development plans are aligned to organisational talent management plans. The Bank has two talent review committees, one at the apex level comprising the CEO, Directors and Presidents, for senior leadership talent, and another comprising Business Heads for managers at middle management levels. The Bank lays high emphasis on levels of employee engagement and strives to enhance these processes. Gender diversity is one of the focus areas for the Bank. The Bank has gender ratio of 81:19 (male:female).

In FY 2011-12, the Bank launched the Kotak Probationary Officer (KPO) programme in partnership with Manipal University to train and groom talent before hiring them for various relationship and customer facing roles. In FY 2013-14, the Bank has integrated its gender diversity agenda with the KPO programme by launching the first 'all-women batch' of the course.

The Bank has also launched Kotak Junior Probationary Officer programme this year in partnership with Institute for Technology & Management (ITM). The programme aims to attract and train local talent to be 'Day One' ready for specific frontline sales role of Assistant Acquisition Manager. The training is delivered by mix of ITM and KMBL faculty and is currently conducted at three ITM centres at Vadodara, Warangal and Noida.

The Bank takes great pride in nurturing and grooming some of finest talent in the industry. Leadership development at KMBL focuses on continually providing a sustainable and stable environment for its talent to learn and grow. The emphasis of nurturing home grown talent at the Bank is best exemplified by the fact that many from the senior leadership, including the apex management committee - 'Operating Management Committee' members, have been associated with the Group for more than 15 years and most functional / business heads and leaders have been with the organisation for over a decade. The Bank's employee retention rate is amongst the best in the industry and is well respected in the country for the quality and stability of its talent.

KMBL has designed various levels of leadership platforms like Kotak Leadership Team (KLT), Kotak Initiatives Team (KIT) and Regional Forums (RF). These leadership forums enable senior leaders to gain a holistic overview of people practices and operational processes through cross-functional reach of leadership within the organisation's human resource base.

The Bank has introduced Part-time Working Policy for select specific roles in phone banking, back-office operations and branch service. The employee can choose to opt for reduced work hours and part-time employment for fixed tenure which can later be converted into full-time employment after completion of a fixed tenure. To promote female employee growth in the organisation, the Bank extends flexi-working arrangements (part-time, work from home or work from nearest branch) on a case-to-case basis.

**Strisangini – for women, by women**

*Strisangini*, an in-house women cell at KMBL, was launched on March 8, 2013 (International Women's Day). The cell encourages female employees to have open dialogue and seek guidance on professional and personal issues from other members of the cell - their female colleagues from the Human Resources team. Cell members are available on call or in person for the dialogue. Apart from acting as a sounding board for women seeking support, *Strisangini* members also actively reach out to certain specific employees like women who have returned from long leave/maternity leave in order to check if they have any issues settling down in work after a long period of absence. Any issues that are noticed are taken up by the cell members with relevant HR/Line Managers for necessary corrective measures.

*Strisangini* members have also initiated a mass mentoring programme "Womentoring@kotak" since November 2013. Through this programme, sessions are conducted by senior women leaders both from within Kotak Mahindra Group and the industry in general to address a group of 100 to 200 female employees on personal and professional aspects of becoming a successful professional and leader. Three such sessions have been conducted so far in Mumbai and Bangalore. More than 350 women employees have been covered through these three programmes conducted by the Bank's senior leader Shanti Ekambaram.



*Shanti Ekambaram, President, Consumer Banking inaugurates the Banks' All-women batch of Kotak Probationary Officer course*

A zero-tolerance approach is adopted for issues concerning discrimination and harassment. The Bank censures any behaviour of discrimination and harassment and has adopted zero-tolerance approach towards such incidents. The Bank has also revised its Prevention of Sexual Harassment Policy in accordance with the statutory requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All sexual harassment complaints are diligently reviewed and investigated by a sexual harassment committee.

### Workplace safety and security

The Bank has Policy Statement for Health, Safety and Welfare at Workplace to promote safety and security of employees, contract staff and visitors. Employees and contract staff are regularly trained and provided with awareness on safety and security measures. The induction programme for all employees includes sessions on physical security, general fire safety and building evacuation. Each floor/department at corporate offices at Kotak Infiniti, Malad (East) and 27BKC, Bandra Kurla Complex (BKC) in Mumbai has floor marshals assigned who are trained to handle emergency situations in the building. Mock drills are conducted once in six months at corporate offices. The branch workforce is trained by the administration personnel who regularly visit branch offices. Training is provided to security personnel on various security threats and risks, handling emergency situations including topics such as assisting disabled people in such situations. The Bank's corporate offices are equipped with a trauma centre with everyday/on-call doctor facilities. The office furniture is ergonomically designed and BIFMA (Business & Institutional Furniture Manufacturers Association) certified.



Workplace on first aid for employees

The Bank has conducted a special training during the year for its employees on road safety. The training imparted covers aspects of road safety, defensive training, vehicle maintenance and health check. The Bank has also extended this training to chauffeurs of Bank employees to engage them on road safety. The programme was also used to deliver content on chauffeur personal grooming along with aspects of road safety, defensive driving, first aid and vehicle maintenance. For the first time chauffeurs not only got an opportunity to undergo a formal training programme but were also awarded with Government approved skills certificate, as well as a monetary reward. The programme was conducted by Motor Education and Training Association in partnership with National Skills Development Corporation.

KMBL has taken measures to ensure safety and security of women employees. Female employees at the Bank's corporate office at BKC were trained on handling portable fire extinguisher, reacting to emergency situation and identifying hazards as part of the evacuation training. The Bank has also deployed additional security guards at secluded areas near its BKC office and also provides them preferential parking at its BKC office.

### Contractual workforce

KMBL has stipulated contract clauses with all contractors to ensure that statutory requirements for contract labour wages and welfare are strictly adhered to. A pre-audit team audits Bank's third party manpower providers for compliance to statutory requirements and the Business Control Unit reviews procedures related to issues like minimum wage payments. Monthly meetings held with vendors/contractors serve as a platform for dialogue between vendors/contractors and the bank, and records vendors and contractors' suggestions and grievances. All reported grievances are tracked and resolved. Statutory requirements on wage payments/Provident Fund (PF) payments by vendors are verified through collection of payment proofs. The Bank also ensures that no underage or child worker is employed by contractors at its premises.

### Principle 4: Stakeholder engagement

#### Materiality and Stakeholder Engagement

The Bank is associated with myriad stakeholders who are vital for its success and growth. Stakeholder engagement at KMBL is a constructive process to enable the Bank to devise strategies that mirror stakeholder expectations and address their concerns. The Bank has adopted customised formal and informal mechanisms to engage with various stakeholders. Outcome of these engagement mechanisms form a critical input for Bank's business planning and improvement. The improvements made are then communicated to the stakeholders, where deemed necessary. The Bank honours information requirements of its stakeholders as and when they seek information and strive to provide them reliable information. These efforts are in addition to the mandatory disclosures required by law.

#### Stakeholder engagement map

Who do we engage with?	How do we engage?	How frequently do we engage?	What do stakeholders have dialogue on?	Who is responsible?
Investors and Shareholders	Emails, letters, investor grievance cell, media, company website	Annually, Quarterly and on a need basis i.e. During events that take place concerning shareholders e.g. Extraordinary General Meeting (EGM) etc.	Financial results, shareholder returns and dividends, issues related to shares' issue, transfer and dividend payouts. Post the quarterly results, a conference call is held wherein the senior leadership team participates and the call is open to all investors and analysts. The transcript of the call is also made available on the bank's website.	Investor relations team, Secretarial team

Who do we engage with?	How do we engage?	How frequently do we engage?	What do stakeholders have dialogue on?	Who is responsible?
Customers and Clients	One-on-one interactions, customer satisfaction surveys, customer grievance cell, customer meets, customer help-lines/toll-free numbers, media, company website	On-going and need based	Customer service quality, investment returns, product features and benefits, technology interface for banking experience	Relationship managers, Branch staff, Customer Service Quality team
Employees	Induction programme, e-mails, town halls, skip-level meetings, leadership meetings, employee engagement initiatives, rewards and recognition programmes, employee grievance cell, intranet, employee satisfaction surveys, employee volunteering initiatives	On-going and need based	Company policies and procedures, employee welfare issues, performance appraisal and rewards, training and career development, workplace health, safety and security, community development and employee volunteering	Human resources team, Corporate Social Responsibility team
Government and Regulators	Company regulatory filings, compliance statements, meetings, letters, emails	As per regulatory requirements and need based	License request and renewals, compliance to regulatory requirements, participation in Government financial sector plans and programmes	Cross functional team
Suppliers and Business Associates	Meetings, emails, letters, supplier and business associates performance reviews	On-going and need based	Product/Service/Technology quality and support, contract commercial and technical terms and conditions, minimum wage payments, supplier and business associates' statutory compliances	Respective departments dealing with suppliers and business associates, Commercial and procurements team
Communities and NGOs	Community development initiatives, proposals and requests for new initiatives/ funding	Need based	Community needs, financial/infrastructure/ human/organisational support	Corporate Social Responsibility team
Media	Advertising, media interactions/ interviews/responses, meetings, emails	On-going and need based	Marketing and advertising agenda, information disclosure through media, viewpoints on industry and company related opportunities and issues	Marketing team, Corporate communications team

KMBL's businesses are guided by a comprehensive media and communications policy for all its external and internal communications. The Bank adheres to regulatory statutes as well as internal policies regarding marketing, communications, sponsorship, promotion and event management. The Bank respects all genders, communities and the embedding of a secular outlook and all its communications must pass through these filters before publication.

### Principle 5: Human Rights

#### Human Rights

KMBL's philosophy towards respecting human rights and upholding the dignity of every individual associated with the Bank is detailed in its Policy Statement on Human Rights. The Bank strives to provide a non-discriminatory and harassment-free workplace for all employees and contract staff. All employees and contract staff are empowered to report any incidents of discrimination and harassment. The Bank does not employ child labour and its recruitment policies ensure that all employees are free to choose to be associated with the firm. Statutory compliance of all contractors on minimum wage payments is reviewed and monitored. The security personnel are trained to prohibit the entry of under age or child workers in any of the Bank's premises. Through the induction programme and regular communication regarding Kotak's values, the Bank sensitises its employees and contractors on aspects of human rights.

### Principle 6: Environment

#### Green Endeavours

The Bank is cognizant of its role as a key financial institution to promote environmental sustainability. It has a two-pronged approach towards environmental sustainability – promoting adoption of environmentally sustainable technologies and processes through its lending and investment decisions, and reducing the Bank's own environmental footprint.

The Bank strictly adheres to RBI's mandate on negative screening list for investments which includes no financing/re-financing for projects/industries that deal in banned wildlife products. The list also includes polluting projects/industries unless they have relevant clearances from Ministry of Environment and Forests and Pollution Control Boards. The Bank, under this mandate, also does not extend financing/re-financing for setting up new units consuming/producing Ozone Depleting Substances (ODS) such as Chloro Fluoro Carbon (CFC), Halons and units manufacturing aerosol products using CFCs. The Bank checks for all relevant clearances on environment as part of project appraisal process before making lending decisions. KMBL has also established a Social Environmental Management System Plan (SEMSP) to evaluate the social and environmental risks of eligible borrowers for IFC Line of Credit. The SEMSP is developed based on the IFC (International Finance Corporation) Sustainability Framework and Performance Standards. SEMSP guides the credit risk assessment team to evaluate the social and environmental risks as part of overall credit risk assessment.

KMBL takes continual measures to mitigate and reduce environmental impact of its operations. Being in the service sector, the Bank has limited material environmental impacts and hence focuses primarily on building energy efficiency, data centre efficiency and resource (paper) optimisation as part of its internal green agenda.

KMBL has taken significant strides in implementing various e-initiatives across the Group. The initiatives have enabled the Bank deliver better customer service by providing access to on-the-go statements through e-statements, and also help the cause of resource conservation. To further contribute through e-statements, the Bank, through 'Think-green' initiative, has partnered with Grow-Trees.com to plant a sapling for every e-credit card statement registration on behalf of customers. A total of 30,521 saplings, an 83% increase over the previous year, were planted during the year.

Various resource optimisation projects have been undertaken within the organisation to leverage technology and eliminate usage of paper and optimise paper requirement for forms, letters and statements. In addition to environmental benefits, these initiatives have also resulted in cost savings for the Bank. The list of such initiatives has been provided in the Bank's Business Responsibility Report for FY 2012-13. The Bank continues to encourage the shareholders to opt for electronic copies of the annual report instead of physical copies.

The green initiatives contribute to following estimated reduction of impact on environment:

- 88 tonnes of paper saved
- 362 tonnes of wood saved; equivalent to saving 2,327 trees from being cut for paper
- 84 lakh litres of water saved
- 925 Mega Watt Hours (Mwh) of net energy saved
- 246 tonnes of GHG (greenhouse gas) emissions avoided
- 85 tonnes of solid waste avoided

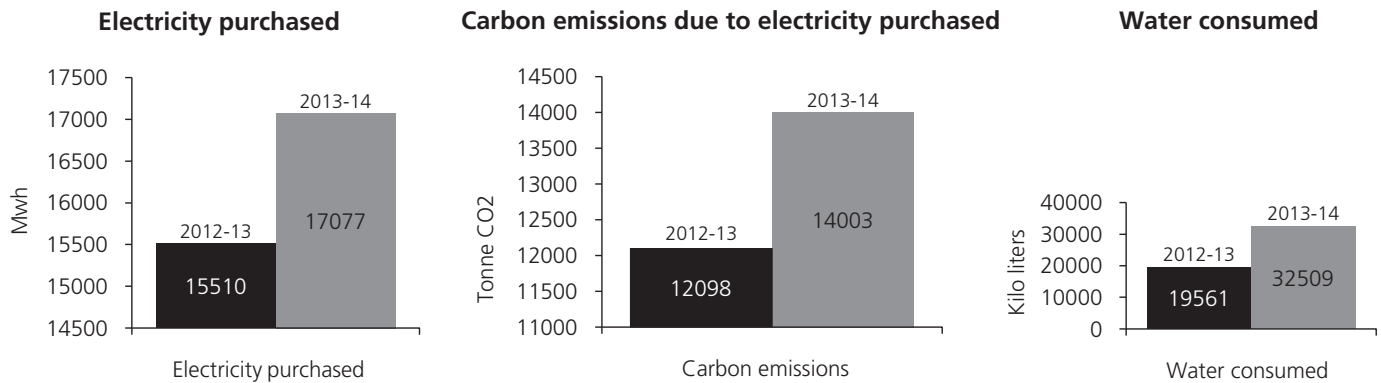
Source: [www.papercalculator.org](http://www.papercalculator.org)

### **Green operations**

Data centres are one of largest energy consumers across Bank's operations. The Bank has optimised the Data Centres facility into a single facility in 2009 to leverage system efficiencies and exercise better control on energy performance of the Data Centre. Various continual improvement initiatives are driven to enhance the energy performance of the Data Centre.

Initiatives such as high and medium density server rooms, server virtualisation, server consolidation, cold aisle containment, managing optimal levels of inlet temperature, etc. have yielded good results to reduce the energy intensity of Data Centre and contribute towards environmental sustainability.

The Bank focuses on improving its office building efficiency to consume fewer resources and save more energy. The two corporate offices of the Bank - Kotak Infiniti, Malad (East) and 27BKC, which together have the maximum employee footprint, have incorporated green building features at the design stage itself. The Kotak Infiniti office has occupancy and day-light sensors, energy efficient chillers and CFL lighting solutions to reduce energy demand. Further, the Bank has made conscious efforts to switch to energy efficient LED lighting through phase-wise replacement of CFL lighting. Part switching off of central air conditioning at defined intervals and after business hours helps the Bank reduce air conditioning load without compromising on the office comfort conditions. Indoor Air Quality (IAQ) sensors monitor CO<sub>2</sub> levels and are directly linked to fresh air ducts to ensure indoor air quality is optimum. The fresh water intake is reduced at both office premises by recycling wastewater and reusing this treated water for toilet flushing and gardening. This is supplemented by efforts to harvest rainwater through rainwater collection tanks at both offices, and ground water recharge at BKC office. The used paper generated is disposed through paper recyclers. Kitchen waste generated at the Kotak Infiniti and 27BKC premises is donated to a trust which composts kitchen waste and uses it as manure. The used oil generated from diesel generator is disposed through vendors, approved by the Pollution Control Board (PCB). The office furniture and carpets used at Kotak Infiniti and 27BKC offices are made of emission-free, recyclable materials. The Bank has completed a thermography audit to assess the health of cables and joints at Kotak Infiniti. It has also initiated detailed energy audit for the building premises to explore energy saving opportunities. Being a green building, the 27BKC office is pre-certified for LEED (Leadership in Energy and Environmental Design) Silver rating and is expected to get the final certification soon. It also utilises 100% LED lighting solutions.

**The Bank's Environmental Performance<sup>1</sup>:**

<sup>1</sup> The environmental performance of the Bank is reported for its corporate offices in Malad and BandraKurla Complex in Mumbai. These corporate offices also house other Kotak Mahindra group entities

The Bank's electricity, carbon emissions from electricity and water consumption have increased compared to last year primarily due to the commencement of the Bank's new office in BKC, Mumbai. The performance reported for 2012-13 only included performance of Kotak Ininiti office while this year, the scope has been expanded to include the BKC office.

**Principle 7: Public policy advocacy****Policy advocacy**

KMBL endeavours to be involved in making sound policy decisions, to drive change and foster public policies that are beneficial to the banking industry and the nation as a whole. The Bank and its subsidiaries are active members of a number of associations, through which they put forth the Group's views, work with regulators and peers, and influence positive change through robust policy framework for banking and financial services industry.

Some of the industry bodies which the Bank and its subsidiaries are a part of:

1. Association of Mutual Funds of India
2. Bombay Chamber of Commerce and Industry
3. Confederation of Indian Industry
4. Council For Fair Business Practices
5. Data Security Council of India
6. Federation of Indian Export Organisations
7. Fixed Income Money Market and Derivatives Association of India
8. Foreign Exchange Dealers Association of India
9. India International Chamber of Commerce
10. Indian Banks' Association
11. Indian Institute of Banking and Finance
12. International Fiscal Association Indian Branch W R C
13. Primary Dealers Association of India
14. The Employers Federation of India
15. The Madras Chamber of Commerce and Industry

**Principle 8: Inclusive growth****Inclusive growth and equitable development**

Inclusive growth leading to equitable development is the only way to create a harmonious and prosperous society. KMBL, as a leading financial institution in the country, works towards financial inclusion by catering to underserved and unbanked areas. The Bank also believes that it is equally important to make people employable and financially independent to have a meaningful impact of financial inclusion. Hence, the Bank focuses primarily on education



as a key theme for its corporate citizenship agenda and supports activities of Kotak Education Foundation (KEF) towards education, livelihood generation, health and sanitation and education infrastructure. KEF's programmes do not address the issues in isolation, but have an integrated approach to support children and youth for holistic development to transform them as responsible, self-reliable and confident citizens of this country. The Bank's CSR team also undertakes various initiatives throughout the year to support NGOs for different causes.

### **Kotak Education Foundation**

KEF provides holistic education and livelihood support to youth in Mumbai, Thane and Raigad regions, particularly those belonging to Below Poverty Line (BPL) families. The initiatives cater to over 20,000 students from 17 schools in this segment.

**Kotak Udaan:** Kotak Udaan is a scholarship programme to support students facing extreme hardships in continuing with their education. This intervention is uniquely designed to support the students not only with financial assistance, but also monitor their progress and guide them to achieve intended results. The initiative focuses on academic achievements of the students by enrolling them in community-based coaching classes and conducting individual and group academic sessions to reinforce learning. Regular follow-ups and counselling for students and parents is conducted to make education a priority and create conducive environment for students at home as well. The efforts are supplemented by personality development interventions for holistic development of the students. Exposure visits are conducted to broaden the horizon of students beyond school and home. Workshops on grooming, communication skills, time and money management, etc. are conducted. Talent shows and camps during festivities like Diwali encourage students to explore and showcase their talent. New school uniforms are distributed to students. Medical assistance is also extended to few students and their family members where health issues become a significant hurdle for students to continue their education.

**Kotak Unnati:** Kotak Unnati is the livelihood programme which focuses on imparting employable skills to youth for opportunities in hospitality and retail sectors. The 3-month programme is run in batches across 8 centres across Mumbai. To cater to the growing demand of this programme, an additional batch was introduced this year compared to 3 batches in the previous year. In FY 2013-14, 936 aspirants have been enrolled in 4 batches and 74% of the aspirants come from BPL families. The programme includes 2 weeks on-the-job training, and provides assistance in job placements. KEF has taken various initiatives during the year to make the course more interesting for aspirants to reduce drop-outs and further align it to industry needs for better placements opportunities.

Muzammil Ansari, an orphan, was driven away by his brother from his residence in Jharkhand. He suffered from polio and used to walk on all four. He dropped out from Class 3, as other students used to laugh at him and his inability to stand upright. Crawling all the way to school caused him bruises. He migrated to Mumbai at the age of 17 and stayed at the Don Bosco shelter. On attaining the age of 18, Muzammil joined the Kotak Unnati course. He gained confidence and got hope and purpose in life. He acquired skills in IT, ability to converse well, which helped him to get a sales job with a small firm. He also studied and passed Class 10 in his fourth attempt.

Today, Muzammil is a confident young man, and walks with the help of a crutch. He works as a manager at Croma, draws a monthly salary of ₹ 25,000, and has two graduates working under him. Muzammil lives in a rental flat near Sion. He has volunteered to visit Kotak Unnati centres to motivate new aspirants during his weekly holiday. He wishes to give back to society in a more meaningful way by joining an NGO. A small push by Kotak Unnati helped an illiterate, homeless, physically challenged boy into a winner. Kudos to his indomitable spirit, his desire to enjoy life and rise above adversity!

**Kotak In Search of Excellence (KISE):** KISE is a scholarship programme for 10th and 11th standard students. KEF selects up to 5 students each from 17 partner schools for the scholarship. Students selected for scholarship are from BPL families and have demonstrated academic acumen. Apart from monetary assistance for two years through monthly scholarship, the students are provided with mentoring and counselling, academic coaching and career guidance. On a selective basis, the fee for college is also supported through a grant programme. In FY 2013-14, 112 students were supported under the KISE programme.

Barrirah Khatoon Khan is the eldest of 6 siblings from a poor Muslim family in Cheeta Camp, Trombay. She lived in a single room with her parents and siblings. She scored over 90% marks in SSC and 87% marks in HSC. She was the student of KISE's second batch (2008) and the scholarship support in Classes 11 and 12 helped her to believe in studying further. However, Barrirah's studies would have stopped as her father did not believe that a girl could achieve anything more in life. After a lot of persuasion and reassurances by the KISE team, he allowed her to study further. A well-wisher came forward to offer financial support for the best homoeopathy course in Mumbai over the next five and a half years.

Today, Barrirah has become a doctor and is a role-model for young girls in her community. She is confident, wants to repay her debt to society by working for women and children in the Cheeta Camp area and make a difference in their lives. She has helped change the mindset of many parents, some highly conservative, and thereby opened a path for numerous young girls to pursue further education. Even her father has started propagating higher studies for girls in the Community. KEF salutes Barrirah for her tenacity to overcome difficulties.

**Health and Sanitation:** KEF undertakes numerous health and sanitation programmes to improve the health of children.

- Regular eye check-ups are conducted for all students of 17 partner schools. Students with poor vision are provided with spectacles. In FY 2013-14, 19 eye surgeries were conducted by K. B. H. Bachooali Charitable Ophthalmic & E.N.T Hospital for students needing surgical interventions.
- *Kishori Sehat Abhiyan* is a drive to assess malnutrition in adolescent girls and boys, and arrest anaemia by providing nutritional support, awareness on nutrition and hygiene, sensitisation sessions for parents and teachers, and conducting talks by medical experts.

- Deworming tablets were provided to 5,171 students from Standard 5 to 10 across eight schools and hygiene education sessions were conducted.
- *Parvarish* programme is aimed to address malnutrition among younger children of pre-primary and primary standards. The programme targets 601 students from two schools.
- KEF works with six schools under its *Mazhi Swatcha Shala* initiative. The programme aims to improve the sanitation and cleanliness standards through participatory approach.
- SPARSH (Sensitisation Programme for Adolescents on Reproductive Sexual Health) programme is aimed at increasing awareness among adolescents on sexual health. Through these sessions, adolescents are able to better know their body, appreciate the physiological and psychological changes at this age, gain awareness on HIV/AIDS and be cautious of issues like substance abuse. In FY 2013-14, 453 Unnati aspirants were covered through SPARSH sessions.

**School Teachers Enrichment Programme (STEP):** STEP is an integrated programme for school teachers of KEF's partner schools to support them in becoming effective teachers. The programme is structured to deliver three levels in three years. STEP focuses on improving pedagogy method through training teachers on using effective teaching aids and adopting activity based teaching methodology. A special workshop is conducted to improve English and communication skills of teachers. KEF also conducts tests for students on English to assess the effective application of English knowledge learned by teachers through STEP.

**Financial Literacy:** KEF, with the support of Kotak Mahindra Bank, conducts financial literacy sessions for students of partner schools and Kotak Unnati aspirants. In FY 2012-13, KMB and National Institute of Securities Markets had provided KEF with 'Pocket Money', a Financial Literacy book targeted at some of KEF's audience. In FY 2013-14, the initiative continued by training the children of 336 Standard 9 students in partner schools and 595 Kotak Unnati aspirants. In addition, 248 Standard 9 students were taken for exposure visits to Kotak Mahindra Bank branches.

**Education Infrastructure:** KEF has undertaken infrastructure projects for toilets, water and drainage in four schools. In each of the schools, KEF constructed/renovated toilets such that appropriate number of toilets for the students and staff were available. Proper pipelines and overhead tanks were installed to ensure there is adequate supply of water. Sewage outflow has also been provided to ensure cleanliness.

#### **Kotak Mahindra Group CSR initiatives**

KMB extends support to other NGOs by contributions, employee engagement and volunteering initiatives. The Bank sponsored employees to participate in Habitat for Humanity's 'Volunteer Build' at Tadwadi Village (near Karjat). Employees worked with prospective homeowners, assisting them with brick-laying and painting work.

To celebrate Kotak Mahindra Group Establishment Day (November 21), the Bank organised a week-long blood donation camp across offices in 10 cities. During this camp, 1,205 units of blood were collected.

KMBL continues to support underprivileged child cancer patients by funds raised through donation of old newspapers and magazines to Dhanwantari Medical Trust (DMT). Funds generated from the sale of old newspapers are utilised by the trust to help and support cancer-affected children for medicines and nutritional food required along with the treatment. The Bank organised 'giving collection drives' during Diwali and Christmas in association with the NGO Goonj. Employees donated old clothes, utensils, books, toys, and other household utility items through this drive. NGO exhibitions are held regularly at Kotak offices in Mumbai during festive seasons such as Diwali, Christmas, on Women's Day, etc. Employees support NGOs by purchasing handicrafts and various materials made by them that result in financial resources for NGOs and beneficiaries they work for. This also helps in building awareness among employees on social responsibility. The bank organised Vitamin D screening camps for employees at its offices at BKC and Malad, at discounted rates. The Bank's Customer Contact Centre (CCC) team organised a Fun-n-fair on June 27, 2013 at Malad office to celebrate 10 years of customer satisfaction. Proceeds of the event were donated to Cancer Patients Aid Association (CPAA).

In FY 2013-14, the Bank initiated community engagement initiatives in few villages to support infrastructure for education. Three villages in Niphad Tahsil of Nasik District were identified for

this initiative. The three villages – Dixi, Shivare, Kothure –are primarily agrarian based villages with more than 80% of population relying on agriculture and allied activities for their livelihoods. Nearly 40% of their population belongs to economically and socially weaker sections of society, such as small & marginal farmers and agriculture labourers. Primary schools in all three villages lack basic infrastructure, like benches for students. As part of Republic Day celebrations, the Bank provided benches and built compound walls for schools. 425 students were also provided with a school kit comprising notebooks and stationary items.



*Benches donated to schools in Niphad Tahsil of Nasik District*



*Employees participate in Habitat for Humanity's 'Volunteer Build' at Tadwadi Village near Karjat*



*Blood donation drive organised to celebrate Kotak Mahindra Group Day*



Women employees of Kotak Mahindra group participate in Pinkathon 2013 to spread awareness on breast cancer



Employees of Kotak Mahindra group ran Airtel Delhi Half Marathon 2013 in support of the NGO - AADI



KVS Manian, President – Corporate and Investment Banking and Shanti Ekambaram, President – Consumer Banking receive the award of Highest Fund raising Company in Corporate Challenge category from Hon'ble Governor of Maharashtra Shri K. Sankaranarayanan, and Dr. Indu Shahani, Former Sheriff of Mumbai, Trustee of United Way of Mumbai & Principal of H.R. College.

- Mr. KVS Manian, President – Corporate and Investment Banking - Highest Individual Pledge Raiser: ₹ 7,02,100/-
- Ms. Shanti Ekambaram, President – Consumer Banking - 2nd Highest Individual Pledge Raiser: ₹ 5,61,002/-

25 Kotak employees ran Airtel Delhi Half Marathon in support of the NGO – Action for Ability Development and Inclusion. ₹ 3,05,715/- was raised, which included both employee pledges and contribution by Kotak Mahindra Group.

116 female employees of Kotak Mahindra Group participated in 'Pinkathon' – a run for women to spread awareness on breast cancer- in Mumbai.

Under Kotak Mahindra Group's Employee Payroll Giving Programme, employees across the group supported the Akanksha Foundation, Cancer Patients Aid Association (CPAA), National Association for the Blind (NAB), Dignity Foundation, Make-A-Wish Foundation of India and SOPAN (Society of Parents of Children with Autistic Disorders). As of March 31, 2014, a total contribution of ₹ 38.60 lakh was made by Kotak Mahindra group employees.

The Bank has spent ₹ 363 lakh towards its CSR activities (including donations) for the period April 1, 2013 to March 31, 2014.

Every year, Kotak Mahindra Group sponsors employees for marathon events - Mumbai Marathon, Delhi Half Marathon and Pinkathon. This year, 65 employees ran Standard Chartered Mumbai Marathon (SCMM) 2014. Employees supported and raised pledges for Cancer Patients Aid Association, Indian Council for Mental Health, Society of Parents of Children with Autistic Disorders (SOPAN) & Kotak Education Foundation. Efforts of KMBL and its employees helped the Bank win following recognitions in the Corporate Challenge category of the event:

- Highest Fundraising Company (including employee pledges): ₹ 37,64,464/-

## Principle 9: Customer value

### Customer Value and Service

The Bank prides in its employees who go the extra mile to ensure that superior customer value and service is delivered. Their zeal for customer delight is ably supported by technology that improves productivity through automation of internal processes.

KMBL's Relationship Managers (RM) and banking staff are trained on the values of bank and ethical dealings with customers and other stakeholders. The Bank's procedures are designed to enable customers make informed decisions by ensuring that the customer is made aware of the product and service features. The Bank adheres to RBI's Know Your Customer (KYC) and Anti-Money Laundering (AML) mandates. The customer risk profile is a key parameter for the Bank to advise customers on financial products. Financial planning and risk assessment are done for Privy customers to whom the Bank advises on investments. Asset allocation is done based on the client risk profile. KMBL provides them with information on risks involved in their investments.

Quality of customer service delivered by an organisation is a key aspect of its overall performance. A dedicated service quality team monitors customer satisfaction, oversees processes and looks into the root cause of customer complaints to prevent them from recurring. At the branch level, customer feedback forms are an important tool for the Bank to gauge and understand customer experience. Apart from this, the Bank has also initiated an Annual Customer Satisfaction Index conducted by an accredited research firm - Customer Satisfaction Management & Measurement (CSMM), the independent, specialist unit of IMRB International. The Bank has taken initiatives to drive improvements through Service Quality Scorecards for channels. Stringent measures have been put in place to ensure that service quality lapses are correlated to poor quality of service request closures and subsequent escalations are addressed properly to ensure that repeat instances are avoided. The Bank has started a major drive to enhance customer experience at its top 20 branches which account for 40% of its customer base. The focus of this drive was to set exemplary standards of customer service supported by priority backend processing capabilities. Initiatives like mystery shopping and transaction monitoring are conducted to assess the execution of changes and their ability to sustain.

The Bank diligently tracks customer feedback through social media on a real time basis and responds to customers via posts and tweets. The Bank has collated customer comments from over 300 websites and analysed customers' pulse, and trending posts and tweets on social media about the company. Social media websites like Facebook and Twitter mostly carried posts and tweets on products and promotions.

### Kotak Jifi – taking banking to the next orbit

KMBL constantly strives to be ahead of the curve by taking leadership position in product stewardship and innovating for customer delight. In FY 2013-14 the Bank launched Jifi, a first-of-its-kind fully integrated social bank account. Jifi transcends digital banking as known in present form by seamlessly incorporating social networking platforms like Twitter and Facebook with mainstream banking. Jifi is designed for today's tech-savvy audience to transact in a secure and simple manner without the need to move out of their digital comfort zone. Jifi is a zero interest current account with no minimum balance conditions, and can be opened with an initial payment of just ₹ 5,000/-. All balances over ₹ 25,000/- automatically move into term deposits (TD) at applicable interest rates, giving high returns on idle money.

*Parichay* is a monthly customer meet at branch level aimed to have a direct dialogue with customers. Customer insights from these meetings are linked with employee idea generation scheme 'Eureka', where employees are encouraged to come up with ideas to solve customer issues and serve them better. Monitoring of complaints closure turnaround time is done diligently and relevant inputs are given to individual business for continuous improvement. The Bank serves differently abled customers through initiatives like priority service for them. They are also trained to help senior citizens, women with children and any other person in need of special assistance coming to the branch. More than 90% of KMBL's branches are located on the ground floor for convenient customer access. The information on branches with ramps is made available on the Bank's website.

Banking Codes and Standards Board of India (BCSBI) along with CRISIL surveyed and rated 48 banks for the first time on different segments like Information Dissemination, Transparency, Customer Centricity, Grievance Redressal and Customer Feedback. KMBL has been assigned High Rating with a total score of 85, achieving a high rating of level of compliance amid the universe of public sector banks, private sector and foreign banks, ranking second amongst the 19 private sector banks and third amongst all banks.

A customer grievance mechanism has been established with defined escalation procedures and is available on the Bank's website to provide easy access to customers. The Bank conforms to defined guidelines (RBI & regulatory) on customer related grievance mechanisms. Details of nodal officers are published on the Bank's website and are also placed at its branches for effective grievance reporting. Customer complaints are reported to the Board Committee, Customer Services Committee and a Non-Board Committee. KMBL is the second bank and fourth organisation in India to achieve the distinction of ISO 10002:2004 certification for Complaints Management System in Consumer Banking which includes Retail Liabilities, Retail Assets and Credit Cards, reinforcing its commitment to unmatched service quality. In FY 2013-14, the Bank has successfully achieved re-certification of ISO 10002:2004 Complaints Management System.

KMBL's products and services are designed to suit varying customer needs – from small farmers to big-ticket investors, from Micro, Small and Medium Enterprises (MSMEs) to large corporations, and from salaried employees to entrepreneurs. The 'Silk' product is a savings programme which is designed with features and rewards catering specifically to women. In FY 2013-14, the Bank launched 'Kotak Junior' – a savings bank account specially designed for children. The product is uniquely crafted to enable parents to systematically plan long term savings for their children through recurring deposits (RD) and Systematic Investment Plan (SIP) in mutual funds. 'Kotak Junior' offers a first-of-its-kind membership card for children and enables them to inculcate the habit of savings at an early age.

As on March 31, 2014, KMBL does not have any Public Interest Litigation (PIL) or cases filed against it by any stakeholder or regulatory agency for unfair trade practices and anti-competitive behaviour.

To know more about the Bank's business responsibility agenda or provide feedback, please email at [cr@kotak.com](mailto:cr@kotak.com)



Platinum debit card offered to customers of Jifi digital account that seamlessly incorporates social networking platforms with mainstream banking

**Clause 55 Annexure-1**

<b>Section A: General Information about the Company</b>		
1	Corporate Identity Number (CIN) of the Company	L65110MH1985PLC038137
2	Name of the Company	Kotak Mahindra Bank Limited
3	Registered address	27BKC, C27, G-Block, BandraKurla Complex, Bandra East, Mumbai 400 051
4	Website	<a href="http://www.kotak.com">www.kotak.com</a>
5	Email id	<a href="mailto:cr@kotak.com">cr@kotak.com</a>
6	Financial year reported	2013-14
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Code: 64191 – Kotak Mahindra Bank is a banking company governed by the Banking Regulation Act, 1949
8	Three key products/services of the Company (as in balance sheet)	Deposits, Advances and Investment Advisory.
9 (i)	Number of international locations	None
9 (ii)	Number of National locations	354
10	Markets served by the Company – Local/State/National/International/	India

<b>Section B: Financial Details of the Company</b>		
1	Paid up capital (INR Crore)	385
2	Total turnover (INR Crore)	10,167 (Bank standalone)
3	Total profit after taxes (INR Crore)	1,503 (Bank standalone)
4	CSR spend as percentage of profit after tax (%)	0.24%
5	List of CSR activities	Refer 'Inclusive growth' section of 'Business Responsibility Report', page 117-119

<b>Section C: Other details</b>		
1	Company subsidiaries / joint-ventures	Refer Related Party Disclosures of the Annual Report, page 183
2	Subsidiaries participating in Company's BR initiatives	Nil
3	Other entities ((e.g. suppliers, distributors etc.) participating in Company's BR initiatives	Nil

Section D (1): BR Information		
1.a	Director responsible for implementation of BR policies (DIN)	00012214
	Director responsible for implementation of BR policies (Name)	Mr. C. Jayaram
	Director responsible for implementation of BR policies (Designation)	Joint Managing Director
1.b	BR Head (DIN, if applicable)	N.A.
	BR Head (Name)	Mr. Rohit Rao
	BR Head (Designation)	Executive Vice President, Head – Group Corporate Communications, Business Responsibility & CSR
	BR Head (Telephone number)	+91-22-6166 6001
	BR Head (email id)	rohit.rao@kotak.com

Section D (2): BR Information - Principle-wise (as per NVGs) BR Policy/policies (Yes/No)										
		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Policy being formulated in consultation with the relevant stakeholders . . .	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Policy conforming to national / international standards . . .	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Policy approved by the Board and signed by MD/CEO/ appropriate Director . . .	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Committee of the Board/ Director/Official to oversee the implementation of the policy . . .	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Link for the policy to be viewed online . . .	All policies are available on the Bank's Intranet								
7.	Policy formally communicated to all relevant internal and external stakeholders . . .	Yes. Policies have been communicated to all key internal stakeholders of the Bank. The communication on policies covering all internal and external stakeholders is an on-going process.								
8.	In-house structure to implement the policy/policies . . .	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies . . .	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Independent audit/evaluation of the working of this policy by an internal or external agency . . .	Evaluation done through internal audit mechanism.								

**Section D (2.a): BR Information - Principle-wise (as per NVGs) explanation if the answer to S.No 1 under Section D (2) against any principle is "No" – Not Applicable**

<b>Section D (3): BR Governance</b>		
3.a	Frequency of Board of Directors, Committee of the Board or CEO review of BR performance	Business Responsibility Committee was formed on March 15, 2013. However, the Bank has been reporting its CSR initiatives to the Board every quarter.
3.b	BR report or sustainability report (frequency and hyperlink)	BR Report Frequency: Annual Hyperlink: <a href="http://www.kotak.com">www.kotak.com</a>

<b>Section E: Principle wise performance</b>		
<b>Principle 1</b>		
1	Policy relating to ethics, bribery and corruption covering the Company and Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others	Refer 'Policy framework' section of the 'Business Responsibility Report', page 110-111
2	Stakeholder complaints received in FY 2013-14 (Complaints include investor complaints received through the bank's investor grievance mechanism. For customer complaints / consumer cases please refer Principle 9)	18
3	Percentage of stakeholder complaints resolved (Complaints include investor complaints received through the bank's investor grievance mechanism. For customer complaints / consumer cases please refer Principle 9)	89.89% as of 31/04/2014 (Of the 18, two were unresolved as of March 31, 2014. The same were resolved on 11/04/2014).
<b>Principle 2</b>		
1	Products and services designed with social or environmental concerns, risks and/or opportunities incorporate Up to three products or services	1. Basic Savings Bank Deposits Accounts 2. Agri business banking products 3. Tractor financing  Additionally, refer 'Financial Inclusion' section of the 'Business Responsibility Report' for the Bank's products designed with social concerns, risks and/or opportunities (Financial inclusion), page 111-112
2	i. Reduction with respect to resource use (energy, water, raw material etc.) per unit of product during sourcing/production/ distribution achieved since the previous year throughout the value chain (optional)  ii. Reduction during usage by customers (energy, water) has been achieved since the previous year (optional)	N.A.
3	Procedures for sustainable sourcing (including transportation)	N.A.

4	Procurement of goods and services from local & small producers, including local communities	The Bank does not procure any goods for processing. The manpower services for offices and branches are generally hired from local agencies, Bank website, job-portals, internal movements, walk-ins, or through references.
5	Mechanism to recycle products and waste	Refer 'Green endeavours' section of the 'Business Responsibility Report', page 115-117
<b>Principle 3</b>		
1	Total number of employees (as at 31.03.2014)	16,086 (Bank standalone)
2	Total number of employees hired on temporary/contractual/casual basis (as at 31.03.2014)	5,115 (Bank standalone)
3	Total number of permanent women employees (as at 31.03.2014)	2,947 (Bank standalone)
4	Total number of permanent employees with disabilities (as at 31.03.2014)	7 (Bank standalone)
5	Employee association recognised by management	Through employee engagement mechanism, the Bank directly engages with all employees on various aspects of employee well-being. For more details, pl refer 'Employee well-being' section of the 'Business Responsibility Report', page 113-114
6	Percentage of permanent employees part of employee association	N.A.
7.1	Child labour/forced labour/involuntary labour related complaints filed during the financial year  Child labour/forced labour/involuntary labour related complaints pending as on end of the financial year	Nil
7.2	Sexual harassments related complaints filed during the financial year  Sexual harassments related complaints pending as on end of the financial year	Nil
7.3	Discriminatory employment related complaints filed during the financial year  Discriminatory employment related complaints pending as on end of the financial year	Nil
8.1	Percentage of permanent employees who were given safety & skill upgradation training (permanent employees)	KMBL provides training to its employees and contract staff on safety and skill upgradation. pl refer 'Employee well-being' section of the 'Business Responsibility Report', page 113-114
8.2	Percentage of permanent female employees who were given safety & skill upgradation training	KMBL provides training to its employees and contract staff on safety and skill upgradation. pl refer 'Employee well-being' section of the 'Business Responsibility Report', page 113-114



8.3	Percentage of casual/temporary/contractual employees who were given safety & skill upgradation training	KMBL provides training to its employees and contract staff on safety and skill upgradation. pl refer 'Employee well-being' section of the 'Business Responsibility Report', page 113-114
8.4	Percentage of employees with disabilities who were given safety & skill upgradation training	KMBL provides training to its employees and contract staff on safety and skill upgradation. pl refer 'Employee well-being' section of the 'Business Responsibility Report', page 113-114
<b>Principle 4</b>		
1	Mapping of internal and external stakeholders	Yes. Refer 'Materiality and Stakeholder Engagement' section of 'Business Responsibility Report', page 114-115
2	Identification of the disadvantaged, vulnerable & marginalised stakeholders.	Refer 'Materiality and Stakeholder Engagement' section of 'Business Responsibility Report', page 114-115
3	Special initiatives to engage disadvantaged, vulnerable & marginalised stakeholders	Refer 'Financial inclusion' section of 'Business Responsibility Report', page 111-112
<b>Principle 5</b>		
1	Policy relating to Human Rights covering the Company and Group/ Joint Ventures/ Suppliers/Contractors/NGOs /Others	The Policy statement on Human Rights and Anti-Discrimination is applicable for the Bank. Refer 'Policy framework' section of 'Business Responsibility Report', page 115
2	Stakeholder complaints on human rights received in the past financial year and percentage satisfactorily resolved by the management	Nil
<b>Principle 6</b>		
1	Policy relating to Environment covering the Company and Group / Joint Ventures / Suppliers / Contractors / NGOs / Others	The Policy Statement on Environment is applicable for the Bank. Refer 'Policy framework' section of 'Business Responsibility Report', page 110-111
2	Strategies / initiatives to address global environmental issues such as climate change, global warming, etc.	Refer 'Green endeavours' section of 'Business Responsibility Report', page 115-117
3	Identification and assessment of potential environmental risks	Refer 'Green endeavours' section of 'Business Responsibility Report', page 115-117
4	Projects related to Clean Development Mechanism	None
5	Initiatives on clean technology, energy efficiency, renewable energy, etc.	Refer 'Green endeavours' section of 'Business Responsibility Report', page 115-117
6	Emissions / Waste generated by the company within the permissible limits given by CPCB / SPCB	N.A.
7	Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial year	Nil
<b>Principle 7</b>		
1	Trade or chamber association memberships	Refer 'Policy advocacy' section of 'Business Responsibility Report', page 117
2	Advocacy through above associations for the advancement or improvement of public good	Refer 'Policy advocacy' section of 'Business Responsibility Report', page 117

<b>Principle 8</b>		
1	Programmes / initiatives / projects in pursuit of inclusive growth	Refer 'Inclusive growth' section of 'Business Responsibility Report', page 117-120
2	Programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organisation	Refer 'Inclusive growth' section of 'Business Responsibility Report', page 117-120
3	Impact assessment of initiatives	Refer 'Inclusive growth' section of 'Business Responsibility Report', page 117-120
4	Direct contribution to community development projects- Amount in INR and the details of the projects undertaken	CSR contribution by KMBL during FY 2013-14: ₹3,63,29,109/-. For more information, refer 'Inclusive growth' section of the 'Business Responsibility Report', page 117-120
5	Successful adoption of community initiatives by communities	Refer 'Inclusive growth' section of the Business Responsibility Report, page 117-120
<b>Principle 9</b>		
1	Percentage of customer complaints/consumer cases that are pending as on the end of financial year	2.45%
2	Product information display on the product label, over and above what is mandated as per local laws	Refer 'Customer value and service' section of 'Business Responsibility Report', page 120-121
3	Cases filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year	Nil
4	Consumer survey/ consumer satisfaction trends	Refer 'Customer value and service' section of 'Business Responsibility Report', page 120-121