

**CORPORATE SOCIAL RESPONSIBILITY POLICY
OF
NAVI FINSERV LIMITED**
(Formerly Known as Navi Finserv Private Limited)



Version No.	CSR/3.0/2023-24
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Policy owner	CSR Committee
Approved by	Board of Directors
Signature	Sd/-

INTRODUCTION

Navi Finserv Limited (“**NFL or Company**”) believes that by contributing to corporate social responsibility (“**CSR**”) activities it can help improve the lives of individuals and communities that are underserved and economically underprivileged.

NFL has formulated the policy on CSR (“**Policy**”) in accordance with the requirements of the Companies Act, 2013, the rules and regulations framed thereunder read along with the circulars and clarifications issued by the Ministry of Corporate Affairs or other statutory authorities (collectively, “**Applicable Law**”), as may be amended from time to time. The Policy sets out NFL’s objectives, the CSR activities that it proposes to undertake and guidelines for participating in such activities.

CSR OBJECTIVES

NFL endeavors to reach out to underprivileged and economically weaker communities to address key challenges in these societies. NFL shall aim at undertaking/participating in CSR activities aimed at contributing towards social welfare activities and initiatives and shall ensure that its activities extend beyond its business and include initiatives and endeavors for the benefit and development of the community and society at large.

NFL shall focus on undertaking and contributing to CSR activities that are permitted as per Section 135, and Schedule VII of Companies Act 2013.

GOVERNANCE

The CSR Committee shall constituted in accordance with the requirements of the Applicable Law. The Policy, details of the composition of the CSR Committee, and projects approved by the Board shall be hosted on the Company's website.

The CSR Committee of the board of directors of the NFL (“**Board**”) shall be responsible for the governance and review of the CSR activities of NFL. The CSR Committee shall, *inter alia*, recommend annual objectives, budget and general framework in respect of the CSR activities of the NFL to the Board for its approval.

The CSR Committees shall meet as often as necessary subject to the minimum number and frequency stipulated by the Board or as prescribed by any law or authority.

The CSR Committee shall consist of three or more directors, out of which at least 1 (one) director shall be an independent director.

The CSR Committee shall meet at least once in each financial year.

ROLE OF THE CSR COMMITTEE

The CSR Committee shall be responsible for making recommendations to the Board regarding the potential CSR activities that NFL can undertake as per the terms of this Policy and Applicable Laws.

Additionally, the CSR Committee shall, *inter alia*, be responsible for the following activities:

1. Formulating and recommending CSR activities to the Board.
2. Approving expenditure with respect to the proposed CSR activities.
3. Reviewing this Policy and recommending changes to the Board.
4. Formulating the annual action plan ("**CSR Annual Action Plan**") in accordance with the terms of this Policy and applicable law. The CSR Annual Action Plan shall, *inter alia*, include the following:
 - a. list of CSR activities to be undertaken as permitted under the Act.
 - b. manner of execution of such approved CSR activities.
 - c. modalities relating to utilisation of funds and implementation of the approved CSR activities.
 - d. monitoring and reporting mechanism for the CSR activities; and
 - e. details of the impact assessment, if any, with respect to the CSR activities undertaken by the Company.

The Board may modify the annual action plan as per the recommendations of the CSR Committee at any time during the financial year, based on reasonable justification.

BUDGETS AND EXPENDITURES:

NFL shall allocate a budget towards each of the approved CSR activities as per the Applicable Laws. The budget shall factor only such expenditure that NFL envisages with respect to the approved CSR activities.

NFL shall spend a minimum of 2% of its average 3 (three) years 'Net Profits' on CSR, each financial year and the Net Profit shall be calculated as per applicable provisions of Companies Act, 2013.

The CSR activities of NFL shall not include any benefits that are exclusively for the employees of NFL or their family members.

IMPLEMENTATION, MONITORING AND REPORTING OF CSR ACTIVITIES UNDERTAKEN BY NFL

The CSR Committee shall form a sub-committee which shall comprise of the Managing Director, the Chief Financial Officer, and the Company Secretary of NFL.

The sub-committee shall be responsible for the following activities:

1. Assisting the CSR Committee with the formulation of the CSR Annual Action Plan;
2. Identifying and implementing CSR projects in conformity with the CSR Annual Action Plan;
3. Periodic reporting to the CSR Committee on implementation of the CSR activities; and,
4. Any other activities as specified by the CSR Committee.

CSR Activities/ Projects/Programs

The CSR Committee shall prepare the CSR Annual Action Plan that shall entail details of the CSR activities that NFL proposes to undertake during the financial year and shall place the same for the approval of the Board.

PROGRESS-MONITORING AND REPORTING

The CSR Committee shall be responsible for the following progress-monitoring and reporting activities:

1. Monitoring the CSR activities undertaken by the Company;
2. Conducting studies on a periodic basis to determine the impact of the CSR activities undertaken;
3. Obtaining feedback from various beneficiaries of the CSR activities undertaken by NFL to measure the benefits and reporting the same to the Board; and
4. Tracking the expenditure and progress of the CSR activities in every financial year and reporting the same to the Board.

Additionally,

1. NFL shall disclose this Policy, the CSR activities undertaken and expenditure with respect to the same in its Annual Report.
2. The CSR Committee shall be responsible for publishing the report on the CSR activities undertaken by NFL in the annual Director's report. The report shall disclose information in the format prescribed under Section 135 of the Act. The CSR Committee shall also submit a responsibility statement to the Board stating that the implementation and monitoring of the CSR activities is in compliance with this Policy and applicable laws.

AMENDMENTS TO THE CSR POLICY

The Board shall have the powers to revise/modify/amend this Policy from time to time, as the Board may think fit, based on the recommendations made by the CSR Committee.