

CORPORATE SOCIAL RESPONSIBILITY POLICY
OF
NAVI FINSERV PRIVATE LIMITED



Version No.	CSR/2.0/2020-21
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Policy owner	CSR Committee
Approved by	Board of Directors
Signature	

INTRODUCTION

Navi Finserv Private Limited ("**NFPL**") 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.

NFPL has formulated this policy ("**Policy**") in conformity with the requirements laid down under The Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as the "**CSR Rules**") issued by the Ministry of Corporate Affairs, Government of India under Section 135 of the Companies Act, 2013 (the "**Act**"),

The CSR Policy sets out NFPL's objectives, the CSR activities that it proposes to undertake and guidelines for participating in such activities.

CSR OBJECTIVES

NFPL endeavours to reach out to underprivileged and economically weaker communities to address key challenges in these societies. NFPL 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 endeavours for the benefit and development of the community and society at large.

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

GOVERNANCE

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

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 NFPL 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 CIFCPL.

BUDGETS AND EXPENDITURES:

NFPL shall allocate a budget towards each of the approved CSR activities. The budget shall factor only such expenditure that NFPL envisages with respect to the approved CSR activities.

NFPL shall spend 2% of its average 3 (three) years 'Net Profits' on CSR, each financial year.

'Net Profit' shall be calculated in the manner prescribed by the Act and CSR Rules. Any 'Income' or 'Surplus' that may arise from its CSR activities should be included in the CSR corpus and not form part of business profits.

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

IMPLEMENTATION, MONITORING AND REPORTING OF CSR ACTIVITIES UNDERTAKEN BY NFPL

The CSR Committee shall form a sub-committee which shall comprise of the Chief Executive Officer, Chief Financial Officer, Company Secretary and Head of Finance of NFPL.

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.
4. Any other activities as specified by the CSR Committee.

CSR Activities/ Projects/Programs

At the beginning of each financial year, the CSR Committee shall prepare the CSR Annual Action Plan that shall entail details of the CSR activities that NFPL 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 NFPL.
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 NFPL to measure the benefits and reporting the same to the Board.
4. Tracking the expenditure and progress of the CSR activities in every financial year and reporting the same to the Board

Additionally,

1. NFPL 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 NFPL 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.