

**CONFLICT OF INTEREST POLICY**  
**OF**  
**NAVI FINSERV PRIVATE LIMITED**  
(Formerly Known as Chaitanya Rural Intermediation Development Services  
Private Limited)



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Policy owner	Chief Executive Officer
Approved by	Board of Director
Signature	RIYA BHATTACHA RYA  Digitally signed by RIYA BHATTACHARYA Date: 2021.02.18 17:19:36 +05'30'

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## **1. Purpose**

Navi Finserv Private Limited (formerly known as Chaitanya Rural Intermediation Development Services Private Limited) (Navi) is part of the Navi Technologies Private Limited ("Navi Group") which aims to provide its customers a full spectrum of financial services by developing various types of financial products and as a result, like any financial services provider, it has or may have conflicts of interest.

This Conflict of Interest policy (Policy) of Navi is designed to provide guidance to conduct and ensure that the business is conducted with professionalism, integrity, honesty, moral and ethical standards.

The policy is intended for all associates (means on-roll employees of all Navi Group) avoid obligations to or relationships with any person or business with whom Navi competes or does business. Such obligations or relationships could affect judgment in fulfilling their responsibilities to Navi and give rise to a conflict of interest.

## **2. Scope and applicability**

This policy applies to all Associates, Board Members, auditors, consultants of our Company and our holding, subsidiaries, affiliates, group companies and persons or entities contractually obligated across the Navi Group.

## **3. Handling conflicts of interest**

### **A. Identifying conflicts of interest**

To identify a conflict of interest, consideration should be given to whether the Navi Group or a person linked to it, including its associates:

- is likely to make a financial gain or avoid a loss, at the expense of a customer.
- has an interest that is different from the customer in relation to:
  - the outcome of a service provided; or
  - a transaction carried out on behalf of the customer
- has a financial or other incentive to favour the interest of one customer or group of customers over the interests of another customer.
- conducts the same business as the customer.
- receives, or will receive, a benefit (monetary and/or non-monetary) from a third party in relation to a service provided to a customer that is likely to impair the ability to act in the best interest of the customer. Consideration should be given to the nature and scale of the benefit.

These conflicts of interest may arise in the following general situations:

- Conflict of Interest between the Navi Group and its customers.
- Conflict of Interest between customers or groups of customers.
- Conflict of Interest between associates and customers, vendor's, Business Correspondents, Business Partners of the Navi Group.
- Conflicts between any member of the Board of Directors, any member of the Executive Board or associates and Navi Group's vendors, Business Correspondents, Business Partners.

## Scenarios

Indicative scenarios, situations or relationships that may lead to actual, potential or perceived conflict of interest are as follows:

- Engaging in a personal capacity, in any form of paid/unpaid, verbal/contractual relationship, directly or indirectly, with any individual/entity with which the Company has a current or ongoing relationship.
- Conducting business as a representative of the Company, with an entity in which you hold a financial or commercial interest or are affiliated to. This interest may be held directly in a personal capacity or indirectly via a closely related person.
- Acting as consultants/advisors in any form to any government/regulatory body/industry association, which can influence the Company's business.
- Acceptance of personal gifts, illegal payments, remuneration, donations, or comparable benefits from competitors, customers and vendors or potential vendors.
- Acceptance or offering of such gifts or hospitalities that may influence your judgement for Navi.
- Recommending to any of Navi Business Partners the candidature of your friends / relatives for a career opportunity in favour of prospective business by Navi.
- Entering business transactions with parties related to you or your family members which are or appear to be detrimental to Navi's interests.

### B. Responsibilities and Implementation

It is the responsibility of every Manager and associates to adhere to this Policy within his or her area of functional responsibility, to lead by example, and to provide guidance to those Associates reporting to him or her.

All Associates are responsible for adhering to the principles and rules set out in this Policy. HR is responsible for ensuring conflicts of interest are disclosed by new hires during the hiring process.

### C. High Risk Conflicts of Interest that must be avoided or removed

#### a. Relatives working in the company

Navi defines a 'Relative' or a 'Closely related person' as someone related closely by blood or marriage, or whose relationship with the associate is similar to that of persons who are related by blood or marriage, (such as spouse, son, daughter, mother, father, brother, sister, grandparents or grand-children, step-parent or step-children, step-sister, step-brother, in-laws, aunt, uncle, nephew, niece, first cousin, domestic partner), or any other relationship that would present a conflict of interest as determined by the organisation. Relatives should not work in positions wherein, one relative can influence the other relative's employment through decisions, recommendations or judgments related to matters of day to day working, work allocation, appraisal, compensation, hiring, retention, transfer, leave requests, etc.

All current & prospective associates need to disclose details as per the declaration (Refer to Annexure):

- Of all relatives working within the organisation or its subsidiaries.
- Wherein they are themselves stakeholders or owners of companies that deal with Navi or its associate or subsidiaries directly or indirectly.

- Wherein, their relative is a stakeholder, owner or employed by an organization that works with the Company, as a business partner or vendor.

Every Associate has a responsibility to disclose any change in relation with respect to any another associate falling under the category of a relative, such as becoming a relative of another associate (e.g. Due to marriage, or any business association with the Company or its subsidiaries).

Employment of interns who are relatives, on a temporary basis or project work allocations will be based on merit & as per hiring procedures followed by the organisation.

#### **b. Outside engagements, including employment**

Associates cannot accept any employment or work - remunerative or otherwise, outside the Company which may interfere, restrict or impair your ability to undertake your assigned roles and responsibilities at the Company.

Academic speaking engagements for limited hours, on a non-remunerative basis, may be accepted if they do not adversely affect your work at Navi, however prior intimation and approval of such engagements should be sought from the HR Manager.

For any services or roles irrespective of whether they are remunerative or non-remunerative including association with charitable/not-for-profit/non-commercial organisations or any form of participation, consultancy must be informed to the Manager and HR Manager.

#### **c. Relationships with business partners and competitors**

Associates should not own/ purchase a stake in any competitor Company without prior written consent unless it has been purchased through listed stock.

Any relative employed with a competitor or any such relationships which may arise during employment should be declared using the mechanism provided (Refer to Annexure)

Every Associate during the tenure of employment is prohibited from Conduct Navi' s business with any entity in which they have a substantial interest or with which they have a substantial affiliation or Act as an official of or advisor or consultant to any government agency with regulatory or supervisory power over Navi.

#### **4. Gifts, meals, travel, entertainment**

The giving and receiving of gifts or inducements has the potential to create conflicts of interest. Associates must not solicit or provide anything of value directly or indirectly to or from anyone, except under limited circumstances.

#### **5. Fees, commissions, services, other favours**

Associates must not directly or indirectly solicit or receive a fee, commission, service, or other favour from any actual or potential Navi's business partner or competitor.

#### **6. Reporting and Complaint Procedure**

The Company is aware that certain conflicting interests cannot be avoided or are impractical to avoid, such as closely related person employed with a customer/vendor.

This policy is designed to uphold and promote the above framework of Navi and serves as a mechanism for all associated to report genuine concerns pertaining to unethical behaviour, actual or suspected fraud or violation of Conflict of Interest Compliance Principles without fear of reprisal.

A potential or actual conflict of interest must be promptly declared to the Company Secretary using the mechanism provided (Refer Annexure).

Associates must disclose any potential or existing conflict of interest during their employment with the company or at the time of joining.

Any of the Company related tasks must be avoided with the conflicted party in the interim.

The Associates shall report any kind of conflict of interest to the concerned officials as mentioned below

## **7. Non-Adherence**

Any Non-Adherence of the Policy including failure to report potential violations of compliance principles or applicable law may result in disciplinary measures up to and including termination, suspension of employment or penalty.

## **8. Review**

Board of Navi shall review and update this policy from time to time.

# ANNEXURE

## Declaration of Conflict of Interest

I understand that it is my obligation to make this declaration of all conflicts and potential conflicts of interests to the Company. I would like to declare an existing or potential conflict of interest situation arising from the discharge of my duties concerning the operation of Navi. The details are as follows

Name of party/ individual with whom I may have a direct or indirect potential relationship:

\_\_\_\_\_

Details of my relationship with the party:

\_\_\_\_\_

*(This may include details of any relationship as per the Policy on Conflict of Interest such as family relationship such a brother, sister etc., including a family member employed in the entity, or a commercial interest such as loans or shareholding or contractual relationship such as employment, etc.)*

Type of Conflict (select which apply):

- Relationship with person/entity outside Navi
- Relationship with a Navi Associate
- Relationship with a competitor/ individual employed with a competitor
- Employment outside Navi

Relationship of the conflicted party with Navi:

\_\_\_\_\_

*(This may include relationships such as vendor, customer, contractor, consultant, or competitor. In case of an on-roll associate within Navi please provide their designation, function and location)*

Any other details:

\_\_\_\_\_

By signing this declaration, I acknowledge that the information provide by me is true to the best of my knowledge.

Name: \_\_\_\_\_ Associate ID: \_\_\_\_\_

Department: \_\_\_\_\_ Designation: \_\_\_\_\_

Signature: \_\_\_\_\_

Place: \_\_\_\_\_ Date: \_\_\_\_\_