

**POLICY ON RELATED PARTY TRANSACTIONS
OF
NAVI FINSERV LIMITED**

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Policy owner	Chief Financial Officer
Approved by	Board of Directors
Periodicity of Review	Once in three years

<u>Date of Review / Amendment</u>	<u>Particulars</u>	<u>Next date of review</u>
May 28, 2025	Review of the Policy in line with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2025	No later than May 28, 2028
February 13, 2026	Amendments to the Policy in line with the recent changes in Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) (Amendment) Regulations, 2026	No later than February 12, 2029

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1. OBJECTIVE

- 1.1. Navi Finserv Limited (the ‘**Company**’) is governed by the Companies Act, 2013.
- 1.2. The Company has adopted this Policy on Related Party Transactions to outline *inter alia* the approvals, disclosure and other requirements that would apply to Related Party Transactions (*as defined hereinafter*).

2. DEFINITIONS

In this Policy, the following capitalized words shall have the meanings ascribed to them herein below:

- 2.1. “**Act**” means the Companies Act, 2013, together with the rules notified thereunder including any statutory modifications or re-enactments thereof for the time being in force.
- 2.2. “**Accounting Standards**” means the standards of accounting or any addendum thereto for companies or class of companies referred to in Section 133 of the Act.
- 2.3. “**Arm’s Length Transaction**” means a transaction between two Related Parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- 2.4. “**Audit Committee**” means the Audit Committee of Board of Directors of the Company, as constituted from time to time
- 2.5. “**Key Managerial Personnel**” or “**KMP**” shall have the same meaning as ascribed to the term in Section 2(51) of the Act.
- 2.6.
- 2.7. “**Office of Profit**” or “**Place of Profit**” means any office or place— (i) where such office or place is held by a director, if the director holding it receives from the Company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise; (ii) where such office or place is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the Company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise.
- 2.8.
- 2.9. “**Relative**” shall have the same meaning as ascribed to the term in Section 2(77) of the Act.
- 2.10. “**Related Party**” is a person or an entity which is: (i) a related party under Section 2(76) of the Act; or (ii) a related party under the applicable Accounting Standards;
- 2.11. “**Related Party Transaction**” means a transaction between the Company and a Related Party which is of the nature specified in sub-clause (a) to (g) of Section 188(1) of the Act;

- 2.12. “**Transactions in the ordinary course of business**” mean transactions/activities that are connected to or necessary for the business of the Company and satisfy the following principles: (a) the transaction/activity is permitted under the Memorandum and the Articles of Association of the Company; (b) the transaction/activity is carried on a frequent or regular basis or is as per the industry practice and (c) the terms of the transaction/activity are similar to those which would be otherwise applicable to transactions with unrelated parties.
- 2.13. “**Unforeseen Related Party Transaction**” means a Related Party Transaction, where the need for such transaction cannot be foreseen, the details whereof necessary for seeking an omnibus approval of the Audit Committee are not available and the value of such transaction does not exceed Rupees One Crore per transaction.

All other words and expressions used but not defined in the Policy, but defined in the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

3. **PROCEDURES WITH RESPECT TO RELATED PARTY TRANSACTIONS**

- 3.1. All Related Party Transactions must be reported to the Audit Committee and referred for approval of the Audit Committee, the Board, or the Shareholders as required under this Policy.
- 3.2. **Identification of Related Party Transactions**
- (a) Every Director of the Company and its subsidiaries/ joint venture shall, (i) at the time of appointment; (ii) periodically – as required by the Company/ subsidiary / joint venture company, and (iii) whenever there is any change in the information already submitted, provide requisite information about his / her Relatives and all firms, entities, body corporates, in which such director is interested, whether directly or indirectly, to the Company or the subsidiary/ Joint venture (as the case may be). Every such Director shall also provide any additional information about the transaction, that the Board /Audit Committee may reasonably request.
 - (b) Every KMP shall disclose his or her interest to the extent any Related Party Transaction is proposed to be taken up by the Audit Committee, Board or shareholders.
 - (c) The Company Secretary and/or Corporate Secretarial Department shall prepare and maintain the database of Related Parties on the basis definition of Related Party and aforesaid information/ declaration including any revisions therein.
- 3.3. **Approval for Related Party Transactions**
- (a) The Company shall not enter into any Related Party Transaction except as stated hereinafter.
 - (b) **Transactions requiring approval of Audit Committee**
 - (i) All Related Party Transactions shall require the prior approval of the Audit Committee and only those members who are Independent Directors shall approve the Related Party Transactions.

- (ii) Where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Audit Committee and if it is not ratified by the Audit Committee at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Audit Committee, and if the contract or arrangement is with a Related Party to any director, or is authorised by any other director, the Directors concerned shall indemnify the Company against any loss incurred by it. Further, it shall be open to the Company to proceed against a director or any other employee who had entered into such contract or arrangement without approval of the Audit Committee, for recovery of any loss sustained by it as a result of such contract or arrangement.
 - (iii) Where any Director is interested in any contract or arrangement with a Related Party, such Director shall not be present, including through video conferencing or other audio visual means, at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.
- (c) Omnibus Approval:
- (i) The Audit Committee may grant omnibus approval for Related Party Transactions considering the repetitive nature of the transactions.
 - (ii) The Audit Committee shall satisfy itself about the need for such omnibus approval and that such approval is in the interest of the Company.
 - (iii) The Audit Committee, shall, after being authorized by the Board of Directors, specify the criteria for granting omnibus approvals to the Related Party Transactions proposed to be entered into by the Company. Such criteria shall cover: (1) maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year, (2) the maximum value per transaction which can be allowed, (3) extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval, (4) quarterly review of related party transaction entered into by the Company pursuant to each of the omnibus approval made, and (5) transactions which cannot be subject to the omnibus approval by the Audit Committee.
 - (iv) The omnibus approval granted by the Audit Committee shall include the following particulars: (1) Name of the Related Parties; (2) Nature and duration of the transaction; (3) Maximum amount of transaction that can be entered into; (4) the indicative base price or current contracted price and the formula for variation in the price, if any; (5) Any other information relevant or important for the Audit Committee to take a decision on the proposed transaction.

Provided that the Audit Committee may grant an omnibus approval in case of Unforeseen Related Party Transactions.
 - (v) Such omnibus approvals shall be valid for one financial year. The Audit Committee shall, while granting such omnibus approvals, satisfy itself about the adherence to the criteria so specified by it.
 - (vi) The Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approvals given.
 - (vii) The Audit Committee shall not grant omnibus approval for transactions in respect of selling or disposing of the undertaking of the Company.

- (d) Information to be reviewed by the Audit Committee for approval of Related Party Transactions: The Company shall provide the following information, for review of the Audit Committee for approval of a proposed Related Party Transaction:
- (i) Type, material terms and particulars of the proposed transaction;
 - (ii) Name of the Related Party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise);
 - (iii) Tenure of the proposed transaction (particular tenure shall be specified);
 - (iv) Value of the proposed transaction;
 - (v) Justification as to why the Related Party Transaction is in the interest of the Company;
 - (vi) A copy of the valuation or other external party report, if any such report has been relied upon;
 - (vii) Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed Related Party Transaction on a voluntary basis;
 - (viii) Any other information that may be relevant.

The Audit Committee shall also review the status of long-term (more than one year) or recurring Related Party Transactions on an annual basis. Further, a Related Party Transaction for which the Audit Committee has granted omnibus approval shall continue to be placed before the shareholders as applicable.

- (e) Transactions requiring approval of Board: The following transactions shall require a prior approval of the Board:
- (i) Transactions under Section 188(a) to (g) of the Act
 - (1) All Related Party Transactions covered under Section 188(a) to (g) of the Act, other than those transactions which are in the Ordinary Course of Business and are at Arm's Length Price, shall require the prior approval of the Board.
 - (2) Where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Board and if it is not ratified by the Board at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board, and if the contract or arrangement is with a Related Party to any director, or is authorised by any other director, the Directors concerned shall indemnify the Company against any loss incurred by it. Further, it shall be open to the Company to proceed against a director or any other employee who had entered into such contract or arrangement without approval of the Board, for recovery of any loss sustained by it as a result of such contract or arrangement.
 - (ii) The agenda of the Board meeting at which the resolution relating to approval of a Related Party Transaction is proposed to be moved shall disclose- the name of the Related Party and nature of relationship; the nature, duration of the contract and particulars of the contract or arrangement; the material terms of the contract or arrangement including the value, if any; any advance paid or received for the contract or arrangement, if any; the manner of determining the pricing and other

commercial terms, both included as part of contract and not considered as part of the contract; whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and any other information relevant or important for the Board to take a decision on the proposed transaction.

- (iii) Where any Director is interested in any contract or arrangement with a Related Party, such Director shall not be present at the meeting, including through video conferencing or other audio visual means, during discussions on the subject matter of the resolution relating to such contract or arrangement.

(iv) Transactions under Section 188(1)(a) to (g) of the Act

- (1) All Related Party Transactions covered under Section 188(1)(a) to (g) of the Act which are not in the Ordinary Course of Business or not at Arm's Length and which are in excess of the limits prescribed hereunder, shall require a prior approval of the Shareholders by way of an ordinary resolution;

Sl. no	Transaction	Limit
(i)	Sale, purchase or supply of any goods or material, directly or through appointment of an agent	10% or more of the turnover of the Company
(ii)	Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent	10% or more of the net worth of the Company
(iii)	Leasing property of any kind	10% or more of the turnover of the Company
(iv)	Availing of rendering of any services, directly or through appointment of agent	10% or more of the turnover of the Company
(v)	Appointment to any Office or Place of Profit of the Company, its subsidiary company or associate company	Monthly remuneration exceeding Rupees 2.5 Lakhs
(vi)	Remuneration for underwriting the subscription of any securities of derivatives thereof of the Company	More than 1% of net worth of the Company

The turnover or net worth thresholds referred above shall be computed on the basis of the audited financial statements of the preceding financial year. It is clarified that the limits in Sl. no (i) to (iv) shall apply for transaction or transactions to be entered either individually or taken together with the previous transactions during a financial year.

- (2) The requirement of obtaining shareholders' approval shall not be applicable for Related Party Transactions (a) entered into between the Company's holding company and the Company, where the Company's accounts are consolidated with such holding company and placed before the shareholders' of the holding company at the general meeting of the holding company for approval, and (b) entered into between the Company and the Company's wholly owned subsidiary, where the subsidiary's accounts are consolidated with the Company and placed before the shareholders' of the Company at the general meeting of the Company for approval.

- (v) The explanatory statement to be annexed to the notice of the general meeting convened to approve Related Party Transaction shall include the following in addition to the disclosures required under the Act:
 - 1. A summary of the information provided by the management of the Company to the Audit Committee as specified in paragraph 3.3(d) of this Policy;
 - 2. Justification for why the proposed transaction is in the interest of the Company;
 - 3. A statement that the valuation or other external report, if any, relied upon by the Company in relation to the proposed transaction will be made available through the registered email address of the shareholders;
 - 4. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis;
 - 5. Any other information that may be relevant.

- (vi) Any Related Party Transaction, where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Shareholders and if it is not ratified by the Shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Shareholders, and if the contract or arrangement is with a Related Party to any director, or is authorised by any other director, the Directors concerned shall indemnify the Company against any loss incurred by it. Further, it shall be open to the Company to proceed against a director or any other employee who had entered into such contract or arrangement without approval of the Shareholders, for recovery of any loss sustained by it as a result of such contract or arrangement.

- (f) Exceptions: The transactions or arrangements which are specifically dealt under the separate provisions of the Law and executed under separate approvals/procedures from the relevant committee shall be deemed to be approved for the purpose of this Policy. Such transactions are enumerated below:
 - (i) Appointment and payment of remuneration, including any variations thereto, to Key Managerial Personnel pursuant to the Nomination and Remuneration Committee approval;

- (ii) Payment of remuneration, fees, commission, etc. to Directors of the Company pursuant to approval of the Nomination and Remuneration Committee;
- (iii) Grant/issuance of stock options or stock appreciation rights or other share based benefits to and payments made to/received from Directors or Key Managerial Personnel of the Company or directors/key managerial personnel/officers of its subsidiaries/associates pursuant to such share based incentive plans as approved by Shareholders.
- (iv) Any benefits, interest arising to Related Party solely from the ownership of Company shares at par with other holders, for example, dividends, right issues, stock split or bonus shares approved by the Nomination and Remuneration Committee or any other Board composed committee.
- (v) Contribution with respect to Corporate Social Responsibility to eligible entities pursuant to approval of Board or the Corporate Social Responsibility Committee.

(g) Disclosure:

Every Related Party Transaction entered in terms of Section 188 of the Act shall be referred to in the Board’s report to the shareholders along with the justification for entering into such contract or arrangement.

4. IMPLEMENTATION

	(a)
Company Secretary	<ul style="list-style-type: none"> (a) To prepare and maintain the database of Related Parties on the basis definition of Related Party and information/ declaration including any revisions therein provided by Directors/KMPs. (b) Ensuring submission of disclosure on Related Party Transactions of the Company. (c) Ensuring that the Related Party Transaction entered in terms of Section 188 of the Act shall be referred to in the Board’s report to the shareholders.

5. REVIEW OR AMENDMENT OF THE POLICY

5.1. The Policy shall be amended or modified with the approval of the Board. The Policy shall be reviewed by the Board at least once every three years. Any amendments or modifications to this Policy shall be approved by the Board, on the basis of the recommendations of the Audit Committee of the Board.

- 5.2. Without prejudice to the foregoing, in the event the Policy requires to be amended to take into account any changes (whether on account of repeal of any existing law, or otherwise) in any existing regulation, law or policy (or any clarification with respect to any existing regulation, law or policy), the Managing Director and Chief Executive Officer of the Company may approve such changes to the Policy as may be required to comply with such changes, or clarifications. Any such changes approved by the Managing Director and Chief Executive Officer shall be placed before the Audit Committee and the Board, in its immediately succeeding meeting, for ratification by the Audit Committee and the Board.
- 5.3. Notwithstanding anything contained in this Policy, in case of any contradiction of any provision of this Policy with any existing legislations, rules, regulations, laws or modification thereof or enactment of a new applicable law, the provisions under such law, legislation, rules, regulation or enactment shall prevail over this Policy.

6. DISCLOSURES

- 6.1. The Policy shall not be required to be disclosed on the website of the Company, and shall be used for internal purposes of the Company.