CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY
OF
NAVI GENERAL INSURANCE LIMITED

Document Control

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TABLE OF CONTENTS

1. INTRODUCTION

At Navi General Insurance Limited (the "**Company**"), we believe that our true success lies in the prosperity and well-being of the communities we are privileged to serve. Our Corporate Social Responsibility ("**CSR**") policy is a testament to our commitment to empowering and uplifting those who need it the most.

This policy has been formulated in accordance with Section 135 of Companies Act, 2013 and the rules, regulations, and guidelines issued by the Ministry of Corporate Affairs, the Insurance Regulatory and Development Authority of India (Corporate Governance for Insurers) Regulations, 2024 and in full alignment with Schedule VII of the Companies Act, 2013, to guide our efforts in making a meaningful impact.

It outlines our objectives, the impactful CSR initiatives we are dedicated to undertaking, and the principles guiding our journey toward creating a brighter, more inclusive future for all.

2. DEFINITIONS

- **a.** "**Administrative Overheads**" means the expenses incurred by the Company for 'general management and administration' of Corporate Social Responsibility functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;
- **b.** "**Act**" means the Companies Act, 2013, as amended from time to time;
- **c.** "**Board**" means Board of Directors of the Company;
- **d.** "**Board or Directors' Report**" means the Report referred under Section 134(3) of the Act;
- **e.** "**Company**" means Navi General Insurance Limited;
- **f.** **"CSR Activities"** means the activities undertaken by the Company in pursuance of its statutory obligation under Section 135 of the Act, as specified in Schedule VII of the Act and specified under this Policy, excluding activities undertaken in the normal course of business and those benefitting only the Company's employees or their families.
- **g.** "**CSR Annual Action Plan**" means the yearly plan recommended by the CSR Committee and approved by the Board, detailing the list of CSR projects of the Company, execution modalities, fund utilization, monitoring mechanisms, and impact assessments, if any.
- **h.** **"CSR Committee**" means the Corporate Social Responsibility Committee of the Company constituted by the Board of the Company in accordance with Section 135 of the Act, responsible for overseeing CSR implementation and compliance.
- **i.** "**CSR Rules**" means the Companies (Corporate Social Responsibility Policy) Rules, 2014 made under the Act, as amended from time to time;**"Employees"** shall have the meaning as defined under Section 2(k) of the Code on Wages, 2019, including long-term contractual workers, interns, and articled assistants.

j. "**IRDAI Regulations**" means The Insurance Regulatory and Development Authority of India (Corporate Governance for Insurers) Regulations, 2024 read with Master Circular on Corporate Governance for Insurers, 2024, as amended from time to time; and

k. "**Net Profit"** shall have the meaning ascribed to it in the Act.

l. **"Ongoing Project"** means a multi-year project undertaken by the Company in fulfillment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the Board based on reasonable justification.

m. "**Policy**" means Corporate Social Responsibility Policy formulated by the Company.

Unless the context otherwise requires, words and expressions used in Policy and not defined herein but defined in the Act, and the Guidelines, Circulars, Regulations issued by IRDAI, as may be amended from time to time, shall have the meaning respectively assigned to them therein.

3. APPLICABILITY

The Policy shall be applicable to all activities undertaken by the Company towards fulfilling its CSR objectives and obligations.

4. CSR OBJECTIVES

The Company is committed to contributing to the betterment of underprivileged sections of society. Our objectives are focused on investing in and empowering these communities to create sustainable, positive change. By focusing on key areas such as education, healthcare, skill development, and sustainable livelihoods, we aim to uplift those in need and foster inclusive growth.

5. CSR GOVERNANCE STRUCTURE

The Board shall constitute a CSR Committee in accordance with Section 135 of the Act and Rule 5 of the Rules, including any amendments thereto. 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 Committees shall meet at least once in each financial year, and otherwise as often as necessary, and carry out its duties as listed under this Policy.

The composition of the CSR Committee, and details of CSR projects approved by the Board shall be disclosed on the Company's website.

5.1. Board's Responsibilities

The Board shall:

- ensure that the Company spends, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years in pursuance of this Policy.
- approve the Policy and disclose contents of such Policy in its report and also place it on the Company's website
- ensure that the activities as are included in Policy of the Company are undertaken by the Company.
- satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- In case of an ongoing project, it shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.

5.2. CSR Committee's responsibilities

Subject to the provisions of the Act and IRDAI Regulations, the Board may constitute a CSR Committee ("Committee") as per Section 135(9) of the Act") read with IRDAI Regulations. The Committee's terms of reference shall include:

a. Formulation and recommendation of a corporate social responsibility policy to the Board, indicating the activities to be undertaken by the Company in areas or subjects specified in the Companies Act, 2013. The activities should be within the list of permitted activities specified in the Companies Act, 2013 and the rules thereunder;
b. Recommending the amount of expenditure to be incurred, amount to be at least 2% of the average net profit of the Company in the three immediately preceding financial years or where the Company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years;
c. Instituting a transparent monitoring mechanism for implementation of the corporate social responsibility projects or programs or activities undertaken by the Company;
d. Monitoring the corporate social responsibility policy from time to time and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
e. Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;
f. Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required; and
g. Performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company or as may be required under applicable laws.

6. CSR FOCUS AREAS

The Company is committed to adhering to Schedule VII and Section 135 of the Act and IRDAI Regulations, as amended from time to time. The Company may undertake / fund projects, programs or activities, in areas or subjects, as more fully described in **Annexure A** of this Policy.

Activities that do not qualify as CSR Activities: In accordance with the provisions of Section 135 of the Act, and the Rules, the following activities shall not qualify as permissible CSR Activities and shall be expressly excluded from the scope of this Policy:

a) Activities benefitting Employees,
b) Activities undertaken outside India, except for training of Indian sportspersons representing any State or Union Territory at the national level, or India at an international level,
c) Any direct or indirect contribution to any political party under Section 182 of the Act,
d) Activities undertaken in the normal course of business of the Company,
e) Sponsorship activities undertaken with the intention of deriving marketing or brand promotion benefits for the Company's products or services, or
f) Activities carried out for fulfilment of any other statutory obligations under any law in force in India.

7. CSR BUDGET

The Company shall allocate a budget towards each of the approved CSR Activities as per the applicable laws. The budget shall factor only such expenditure that the Company envisages with respect to the approved CSR Activities.

In every financial year, the Company shall spend at least 2% of the average net profits of the Company made during the three immediately preceding financial years , in pursuance of the Policy. 'Net Profit' for this purpose shall be as under:

"Net profit" means the "profit/(loss) before tax" as per its financial statements prepared in accordance with the applicable provisions of the Insurance Act, 1938 and the Regulations framed thereunder, but shall not include the following, namely:

i) Any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and
ii) Any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act.

Provided that net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Insurance Act, 1938, shall not be required to be re-calculated in accordance with the provisions of the said Act.

8. MODE OF IMPLEMENTATION OF CSR ACTIVITIES

The Board shall ensure that the CSR activities are undertaken by the company itself or through –

(a) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company; or

(b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or

(c) any entity established under an Act of Parliament or a State legislature; or

(d) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

Every entity (as specified in sub-clause (a) to (d) above), which intends to undertake CSR activity on behalf of the Company, should have registered itself with the Central Government by 01st April 2021 or any other date as may be extended by the competent authority.

The Company shall obtain such CSR registration number from such entities as and when any activity is undertaken by such entity.

The Board shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer of the Company shall certify to the effect.

The Company shall comply with the provisions of Section 135(6) of the Act in case of ongoing project. and the Company shall give preference to local areas and areas around it where it operates, while considering new CSR activities. The quantum of estimated donation, investment and/ or expenditure in each activity shall be approved by the Board/Committee.

9. CSR MONITORING AND REPORTING

The Board or CSR Committee, as case may be, shall monitor CSR initiatives, progress on approved projects and shortfalls in achieving the Annual Action Plan. The Company shall provide a regular progress report, at least annually, to the Board or CSR Committee as case may be.

A report on CSR Activities shall be annexed to the Board Report of the Company for the financial year and the Company shall file such details in such form as may be prescribed under the Act from time to time.

In case the Company:

(a) is unable to spend the amount mentioned above CSR Activities, the Board shall, in its report made under Section 134 of the Act, specify the reasons for not spending the amount and, unless the unspent amount relates to any Ongoing Project, the Company shall transfer such unspent amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year. In case of Ongoing Projects, the unspent amount shall be transferred to a separate CSR Unspent Account within 30 days from the end of the financial year, and such amount shall be spent by the Company in pursuance of its obligation towards the Policy within a period of three financial years from the date of such transfer, failing which, the Company shall transfer the same to a Fund specified in Schedule VII of the Act, within a period of thirty days from the date of completion of the third financial year.

(b) spends an amount in excess of the requirements, the Company may set off such excess amount against the requirement to spend for three succeeding financial years and in such manner, as may be prescribed under the Act and the Rules, including the passing of a resolution by the Board.

The Administrative Overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.

10. REVIEW OF THE POLICY

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 CSR Committee of the Board.

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 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 shall be placed before the CSR Committee and the Board, in its immediately succeeding meeting, for ratification by the CSR Committee and the Board.

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.

11. STAKEHOLDER FEEDBACK

The Company may, where appropriate, solicit feedback from beneficiaries or implementing agencies to evaluate relevance and long-term impact of CSR interventions.

12. DISCLOSURES

The Policy shall be required to be disclosed on the website of the Company. Further, the contents of the Policy shall be disclosed in the Board's report.

Annexure A

A. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water
B. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
C. promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
D. ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga
E. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
F. Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows
G. Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sport.
H. Contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
I. (a)Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and (b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
J. Rural development projects.
K. Slum area development.

   Explanation.- For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.
L. Disaster management, including relief, rehabilitation and reconstruction activities.