

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

Document Control

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A. INTRODUCTION

At Navi General Insurance Limited, 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.

B. DEFINITIONS

"Act" means the Companies Act, 2013, as amended from time to time;

"Board" means Board of Directors of the Company;

"Board or Directors' Report" means the Report referred under Section 134(3) of the Act;

"Company" means Navi General Insurance Limited;

"CSR Rules" means the Companies (Corporate Social Responsibility Policy) Rules, 2014 made under the Act, as amended from time to time;

"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

"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.

C. APPLICABILITY

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

D. 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.

E. CSR GOVERNANCE STRUCTURE

1. Board of Directors

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 the ("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.

Where a CSR Committee is not required to be constituted, the Board of Directors shall discharge all the functions and responsibilities of the CSR Committee in accordance with the provisions of Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

2. CSR Committee:

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.

F. TERMS OF REFERENCE OF THE COMMITTEE

The Committee's terms of reference shall include:

1. To formulate and recommend to the Board a CSR policy that outlines the activities to be undertaken by the Company in accordance with the Act.
2. To review and recommend the expenditure to be incurred on the CSR activities to be undertaken by the Company.
3. To approve spending on CSR activities in alignment with the Policy and the Act.

4. To monitor the CSR policy of the Company periodically. Address any other matters deemed appropriate by the CSR Committee, subject to Board's approval, or as directed by the Board from time to time.
5. to formulate and recommend to the Board, an annual action plan in pursuance of the Policy, which shall include the following, namely:-
 - (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - (b) the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
 - (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - (d) monitoring and reporting mechanism for the projects or programmes; and
 - (e) details of need and impact assessment, if any, for the projects undertaken by the company

Provided that the Board may alter such a plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

G. 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. Through its CSR activities, the Company will focus on the following areas:

- i. 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.
- ii. Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- iii. 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.
- iv. 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.
- v. 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.

- vi. Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Paramilitary Forces (CPMF) veterans, and their dependents including widows.
- vii. Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.
- viii. Contribution to the prime minister's national relief fund 8[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;
- ix. (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 Defence 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).
- ix. Rural development projects.
- x. Slum area development.
- xi. Disaster management, including relief, rehabilitation, and reconstruction activities.
- xiii. Subscription to zero coupon zero principal instruments on Social Stock Exchange

H. CSR BUDGET

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 Act.

I. 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 Company may undertake its Corporate Social Responsibility ("CSR") activities through investment in Zero Coupon Zero Principal Instruments ("ZCZP Instruments") issued by eligible Not-for-Profit Organisations in accordance with the provisions of the Companies Act, 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, and other applicable laws.

The amount invested through ZCZP Instruments shall not exceed the limit prescribed under applicable law from time to time. CSR projects funded through such instruments shall be implemented by the issuing Not-for-Profit Organisation in accordance with the applicable regulatory requirements, including utilisation of funds, project duration, reporting obligations, and

treatment of unspent amounts.

The Company shall ensure compliance with all statutory requirements relating to CSR expenditure through ZCZP Instruments, including any exemptions, disclosures, monitoring, and reporting requirements as may be prescribed under applicable law.

The Company shall comply with the provisions of Section 135(6) of the Act in case of ongoing project. 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.

J. 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.

Further, in case entire required CSR amount is not spent in a financial year, the Board in its report shall specify the reasons for not spending the same and, unless the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

Any amount remaining unspent pursuant to an ongoing project undertaken by a Company in pursuance of its Policy, shall be transferred by the Company within a period of thirty days from the end of the financial year to a special account to be opened by the Company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, 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, within a period of thirty days from the date of completion of the third financial year.

K. REVIEW OF THE POLICY

The Policy shall be reviewed at least once in every three years, and the necessary amendments shall be duly considered and approved at the meeting of the Board before incorporating the same into the Policy.

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