



M/s Navkar Corporation Ltd
Container Freight Stations & Rail Terminals

CORPORATE SOCIAL RESPONSIBILITY POLICY

NAVKAR CORPORATION LIMITED

1) PREAMBLE

Corporate Social Responsibility (hereinafter referred to as 'CSR') is a company's sense of responsibility towards the community and environment in which it operates. It is the continuing commitment by a business to behave ethically and contribute to the economic development of communities who are unequally endowed.

CSR covers the entire process by which an organization approaches, defines and develops its relationships with stakeholders for the common good, and demonstrates its commitment in this regard by adoption of appropriate strategies and projects.

The Companies Act, 2013 (the “**Act**”) has made it mandatory for certain companies to carry out its corporate social responsibility activities in accordance with Section 135 of the Act read with Schedule VII of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014. In order to comply with the requirements of the law, the Board of Directors (the “**Board**”) of Navkar Corporation Limited (the “**Company**”) acting upon the recommendation of the Corporate Social Responsibility Policy Committee (the “**Committee**”), has adopted the following Corporate Social Responsibility Policy (the “**Policy**”) and procedures with regard to the Company's social responsibility:

This CSR Policy is framed in terms of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as 'the CSR Rules'), as amended from time to time.

2) POLICY OBJECTIVE & PHILOSOPHY

It is pertinent that business enterprises are economic organs of society and draw on societal resources. NCL believes that in the strategic context of business, enterprises possess, beyond mere financial resources, the transformational capacity to create game-changing development models by unleashing their power of entrepreneurial vitality, innovation and creativity. In line with this belief, the Company will continue crafting unique models to create a better society. Such Corporate Social Responsibility ("CSR") projects are far more replicable, scalable and sustainable, with a significant multiplier impact on sustainable livelihood creation and working for a cause of humanity.

3) DEFINITIONS

“Board of Directors” or “Board” means the Board of Directors of the Company, as constituted from time to time.

“Company” means a company incorporated under the Companies Act, 2013 or under any previous company law.

“CSR Programs” means Programmes, projects and activities carried out in this regard are the subject matter of this Policy.

“Corporate Social Responsibility Committee or Committee” means CSR Committee constituted by the Board of Directors of the Company, from time to time.

“Independent Director” means a Director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Companies Act, 2013 and the Listing Agreement to be entered/ entered with the Stock Exchanges.

“Policy” means The Corporate Social Responsibility Policy.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013 or any other applicable regulation.

4) GOVERNANCE

The CSR Governance structure at the Company comprises of a CSR Committee and the Board of Directors of the Company.

5) BOARD

- The Board monitors and reviews the performance and impact of the CSR programmes, provides input and course corrections if required and satisfies itself that the CSR funds so disbursed are aligned to the CSR Policy of the Company and have been utilized for the purposes and in the manner as approved by it.
- The Chief Financial Officer (CFO) shall certify to the fact that CSR funds so disbursed have been utilised for the purposes and in the manner approved by the Board.

6) CSR COMMITTEE

The Board of Directors of the Company (hereinafter referred to as the ‘Board’) has formed the CSR Committee in accordance with the requirements of the Act.

The CSR Committee of the Company shall consist of minimum three or more Directors, out of which at least one director shall be an Independent Director. The Company Secretary shall act as the Secretary to the Committee.

Role of CSR Committee shall include inter-alia the following:

- formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Act;
- recommend the amount of expenditure to be incurred on the CSR Programmes by formulating and recommending to the Board an annual action plan as per the provisions of the Act;
- monitor and review the CSR Policy of the Company from time to time;
- Identify projects of the Company as ‘Ongoing Projects’ as per the provisions of the Act and recommend the same to the Board;

- formulation of a transparent monitoring mechanism for ensuring implementation of the CSR programmes proposed to be undertaken by the Company or the end use of the amount spent by it towards CSR programmes;

Recommendation of any alteration in the annual action plan at any time during the year and update, if any, required to the CSR Policy outlining the following;

- ✓ the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - ✓ the manner of execution of such projects or programmes;
 - ✓ the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - ✓ monitoring and reporting mechanism for the projects or programmes; and
 - ✓ details of need and impact assessment, if any, for the projects undertaken by the Company.
- ensure overall governance and compliance of the CSR Policy;
 - annually report to the Board of Directors, the status of the CSR activities undertaken and contributions made by the Company;
 - formulate and recommend to the Board for its approval, an annual CSR action plan in pursuance of the CSR Policy; and
 - any other requirements mandated under the Act and Rules issued thereto and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time.

The CSR Committee shall meet at regular intervals for the above purpose.

7) ANNUAL CSR ACTION PLAN

Every year, the CSR Committee will place for the approval of the Board, an annual CSR Action Plan (hereinafter referred to as 'CSR Plan') delineating the CSR Programmes to be carried out during the financial year, including the budgets thereof, their manner of execution, implementation schedules, modalities of utilisation of funds, monitoring & reporting mechanism for the CSR Programmes and details of need and impact assessment, if any, for the CSR Programmes undertaken by the company. The Board will consider and approve the CSR Plan with such modification that may be deemed necessary; the CSR Plan may also be modified by the Board during the financial year, on the recommendation of the CSR Committee.

8) SELECTION AND IDENTIFICATION

CSR Programmes to be undertaken shall be in line with Section 135 read with Schedule VII of the Act and the Rules made thereunder, as amended from time to time and would be identified in a participatory manner in consultation with the community and for selection of any Programme, the scope, impact, cost, timelines, sustainability, visibility of the Company and other relevant factors needs to be evaluated.

9) IMPLEMENTATION

The Company's CSR Programmes will be implemented:

(a) Directly by the Company; or

(b) through Charitable Trust, a registered public trust established by the Company or any other company established under section 8 of the Act, or 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

(c) 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

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

(e) 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.

The Company may engage international organisations for designing, monitoring and evaluation of the CSR programmes as per the CSR policy as well as for capacity building of its own personnel for CSR. The Company may also collaborate with other companies or institutions for undertaking CSR Programmes in such a manner that the CSR committees of the Company is in a position to report separately on such programmes in accordance with the CSR Rules. In case CSR Programmes are implemented through external agencies or Trusts, the programmes to be undertaken by those agencies or Trusts will be specified, and it will be ensured that such programmes are covered in the Objects laid down in the respective Trust Deeds / Memoranda and Articles of Association of the external agencies / Trusts.

10) MONITORING

The CSR Committee will review, monitor and provide strategic direction to the Company's CSR practices towards fulfilling its objectives.

The CSR team would have the responsibility of implementing and monitoring the approved CSR Programmes within the specified budgets and timeframes.

The CSR Committee may also assign the task of implementation of the CSR Plan within specified budgets and timeframes to such persons or bodies as it may deem fit, and ensure implementation thereof.

Once every six months or at such other frequency as the CSR Committee may direct, the CSR team will provide a report to the CSR Committee on the progress of implementation of the approved CSR Programmes carried out during the six-month period.

The CSR Committee will review the aforesaid progress report and keep the Board apprised, once every six months, on the status of implementation of the CSR Programmes.

At the end of every financial year, the CSR Committee will consider an Annual Report on CSR activities and recommend the same for the approval of the Board. The said Report will be disclosed as part of the Report of the Board of Directors of the Company (hereinafter referred to as the 'Board's Report').

11) CSR EXPENDITURE

(a) It will be the Company's endeavour to spend in every financial year, two percent of its average net profits during the three immediately preceding financial years (or such other limit as may be prescribed under the Act), on CSR Programmes in pursuance of this Policy.

(b) The CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with this Policy and the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

(c) Any surplus arising out of the CSR Programmes will be used for CSR activities within six months from the end of the relevant financial year and shall not form part of the business profit of the company and shall be ploughed back into the same CSR Programmes or shall be transferred to the Unspent CSR Account and spent in pursuance of this CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

(d) If CSR expenditure by the Company in a financial year exceeds the statutory limit, such excess may be set-off against CSR expenditure up to immediate succeeding three financial years with the approval of the Board and in accordance with the Act and the CSR Rules.

(e) The CSR expenditure may be spent by the Company for creation or acquisition of a capital asset in accordance with the Act and the CSR Rules.

(f) In case of any unspent amount is arising in any financial year out of the CSR Programmes, other than ongoing Programmes, such unspent amount shall be transferred within six months from the end of the financial year to a fund specified in Schedule VII of the Act or to such specific fund as may be prescribed from time to time for this purpose under the Act or Rules framed thereunder and the reasons for not spending the amount to be specified by the Board in Boards' Report.

(g) Where the unspent amount is in respect of any ongoing CSR Programmes, the company shall within thirty days from the end of the financial year (or such other period as may be specified) transfer such unspent amount to a separate account called Unspent Corporate Social Responsibility Account to be opened in any scheduled bank by the Company for that financial year. The company shall utilise such unspent amount for the ongoing projects within a period of three financial years from its transfer, failing which such amount shall be transferred to a fund specified in Schedule VII of the Act or to such specific fund as may be prescribed from time to time for this purpose under the Act or Rules framed thereunder within 30 days from the end of the third financial year.

(h) The Company may collaborate or pool resources with other entities to undertake CSR Programmes.

12) DISCLOSURE

This Policy will be posted on the Company's website www.navkarcfs.com and web link thereto will be disclosed in the Board's Report of the Company.

13) REVIEW AND AMENDMENTS IN THE POLICY

This Policy will be reviewed by the Board, on the recommendation of the CSR Committee, as and when deemed necessary. Any subsequent amendment / modification to the CSR provisions as contained under the Act or Rules framed thereunder or other applicable laws in this regard shall automatically apply to this Policy and the Policy shall be deemed to have been amended accordingly. In the event of any inconsistency between this Policy and the applicable laws, the applicable laws will prevail.

Approved on: August 08, 2023