



भारतीय राष्ट्रीय भुगतान निगम

NATIONAL PAYMENTS CORPORATION OF INDIA

***POLICY ON CORPORATE SOCIAL
RESPONSIBILITY***

(NPCI/NQMS/BOARD SECRETARIAT/PO-01)

Document History

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1. Preamble

CSR covers the entire process by which an organisation approaches, defines and develops its relationship with stakeholders for the common good, and demonstrates its commitment in this regard by adoption of appropriate strategies and projects. The CSR is not charity or mere donations but a way of going beyond business as usual, creating shared value and contributing to social and environmental good.

Although for NPCI being a not for profit company, the provisions of Section 135 of the Companies Act, 2013 and the rules made thereunder pertaining to CSR policy are not applicable to the Company and a legal opinion has also been obtained in this regard. However, NPCI would be doing the CSR activities voluntarily as a good Governance practice.

2. Vision Statement

NPCI's business philosophy highlights the theme of respect and collaboration. NPCI has undertaken Corporate Social Responsibility (CSR) with the basic aim of contributing towards easing distress and aiding in advancement of society while engaging with stakeholders thereby becoming a socially responsible corporate citizen. Through a series of interventions NPCI seeks to mainstream economically, physically and socially challenged groups and to draw them into the cycle of growth, development and empowerment.

3. Purpose of the Policy

NPCI is committed to identifying and supporting programs aimed at:

- Developing and advancing the community and in particular, those at the bottom of the pyramid who are unequally endowed/enabled, and also
- Reducing negative impact of its operation on the environment.

This policy will serve as a guiding document to help identify, execute and monitor CSR projects in keeping with the spirit of the policy.

The CSR policy would function as a self-regulating mechanism for the Company's CSR activities and enable adherence to laws, ethical standards, and international practices in this regard.

This policy is applicable, with immediate effect, to NPCI.

4. CSR at NPCI

CSR is the process by which an organization thinks about and evolves its relationships with stakeholders for the common good, and demonstrates its commitment in this regard by adoption of appropriate business processes and strategies. At NPCI, we see CSR as the commitment of businesses to manage and improve the economic, environmental and social implications of their activities at local, regional and global levels by undertaking various projects.

5. Principles of NPCI's Approach to CSR

a. Employee Engagement-

There shall be active participation from employees of NPCI in the CSR interventions. Employees shall contribute to the initiatives their time and skills, thereby adding immense value.

b. Focused Beneficiary-

Each of NPCI's CSR interventions would be conceived and implemented with a focused approach towards a target beneficiary to achieve maximum impact. Although impact can be felt by more than one beneficiary group, impact measurement would be in terms of assessing the difference made to the intended beneficiaries.

c. Collaboration-

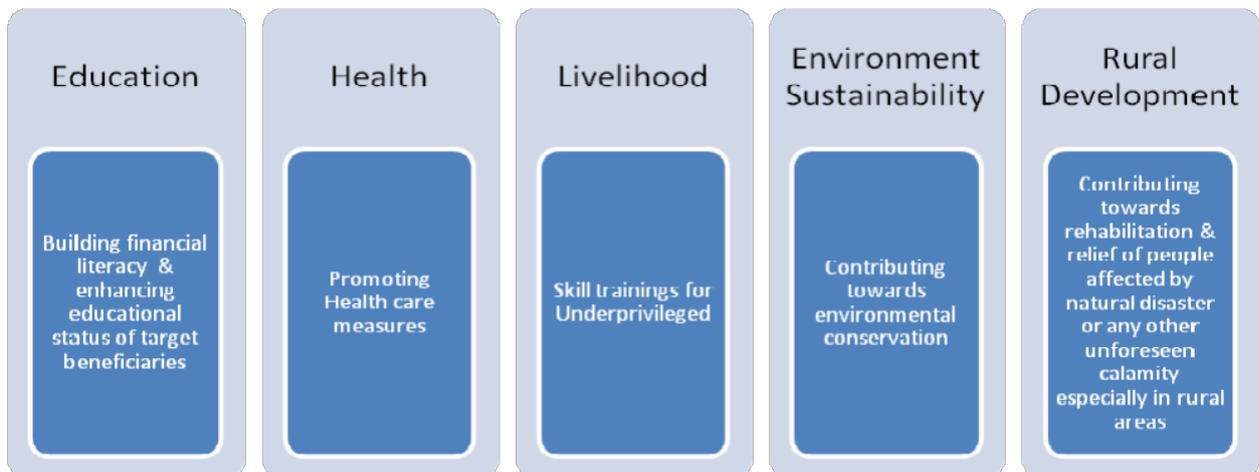
In order to leverage expertise, build cohesion and achieve greater impact through the activities undertaken, initiatives of NPCI shall be carried out in collaboration with credible third parties such as NGOs, Corporate with aligned interests, incubation centres, and other implementing agencies amongst others.

d. Linkage to Domain Expertise-

NPCI believes in sharing knowledge & domain expertise by integrating business models with social and environmental priorities and processes. NPCI hopes to achieve the same by designing initiatives, the implementation and impact of which shall be linked to its domain expertise.

6. CSR Framework of NPCI

The overall CSR Framework developed for the next 3 years focuses on the following 5 Areas of Intervention, which are beyond business as usual.



i. Education

NPCI believes that every individual is entitled to the Right to Education. In addition to educating masses by providing training as per prescribed curriculum, it is very essential to generate financial awareness among masses, which will help them manage their fund flow effectively and sustainably. NPCI wishes to accomplish this through initiatives designed around building financial literacy across various marginalized, poor, deprived & backward groups, spreading awareness on the need for saving, opening of bank accounts and usage of payment products to enable a life free of financial distress in unforeseen circumstances. NPCI also aims to undertake initiatives that will enhance the educational status of marginalized, poor, deprived & backward sections of society.

ii. Health

NPCI understands and cherishes the importance of health and considers it extremely important to make people value their own health and that of their people around them. By conducting awareness campaigns across various regions and stakeholder

groups and undertaking relevant projects, NPCI aims to be the driver of health initiatives for diverse beneficiary groups.

iii. Livelihood

Unemployment and lack of a stable source of income very often result from skill-requirement mismatch that arises due to lack of adequate training facilities that the marginalized population can access. To reduce the resulting distress, NPCI endeavors to conduct skill-based and vocational trainings in various fields, including training on usage of payment products, thus enabling backward sections of the population to be equipped to earn a stable livelihood.

iv. Ensuring Environmental Sustainability

NPCI has always advocated the 4 R's of Reduce, Recycle, Reuse and Recharge to reduce negative impacts on the environment. NPCI shall undertake the program/projects with specific beneficiaries in alignment to its 4 R philosophy for creating a positive impact on environmental sustainability.

v. Rural Development

Being a technology company, NPCI understands the importance of timely & effective support for people in times of emergency especially in rural areas. Incorporating this understanding in our CSR initiative, NPCI aims to set aside a part of its CSR budget for rehabilitation & relief of people affected by natural disaster (Earthquake, flood/flash flood, tsunami, cyclone, cloud burst or any other disaster caused by natural phenomenon) or any other unforeseen calamity (mass displacement caused by internal or external conflicts, industrial accidents, other manmade disasters or any other calamity/contingency caused due to human actions).

7. CSR Partner/Collaboration

1. A company, NGO or implementing agency that has expertise/inclination towards areas of focus that aligns with NPCI's five areas of intervention.
2. Trust or Society or Foundation or any other form of entity operating within India and those having an established track record of at least three years in carrying on activities in related areas.

3. Body registered under the Society's Registration Act, 1860.
4. Public Registered Trust.

8. Budget

The Board shall allocate the budget for CSR activities and shall ensure that the allocated budget amount is spent in CSR initiatives undertaken by NPCI.

All the utilization certificates, agreements, invoices with actual spend will be diligently documented.

In case entire budget is not spent in a financial year, reasons for the same shall be specified in the CSR report.

9. Areas of Focus

Broadly the CSR activities would include:

1. Adoption of a few villages for financial literacy, drinking water, sanitation facilities, repair of school building, text book for school children
2. Adoption/ Construction of Hostels (especially those for girls).
3. Grant of scholarship & assistance to students with physical disabilities.
4. Construction of washrooms and other facilities for girls in schools.

10. Implementation

While giving assistance/donation under the scheme as mentioned under Clause 9, discretion is to be exercised judiciously to ensure that assistance/donation is extended for worthy causes to establish institutions/NGOs with proven track record (preferably non-profit making organizations) for socially oriented projects meant to pass on benefits to a section of society rather than to an individual. It should also be ensured that the donations are invariably made directly to institutions/NGOs in a focussed area without any involvement of agents/middle men/consultants and to ensure that the money is utilized for the purpose it is given.

NPCI would align with all the stakeholders in its purpose at various levels for the implementation of policies. Also the help of local self-governments and district level authorities should be taken in this regard.

11. Sanctioning Authority Discretionary powers

The Committee shall give approval for the budget and project and the payment would be released by CEO or as delegated by CEO to COO. The philanthropic budget should be placed under general budget.

12. Governance Mechanism

NPCI has constituted a robust governing mechanism to oversee the implementation of its CSR Policy.

The governance for the CSR interventions of NPCI will be headed by the Board Level CSR Committee comprising-

1. Shri K. Subrahmanyam, Chairman
2. Shri Balachandran M.
3. Shri S. K. Mohanty
4. Smt. Deena Mehta
5. Smt. Debopama Sen
6. Shri A. P. Hota

NPCI's CSR activities will be driven by dedicated CSR team under the guidance and support of senior functionaries in particular MD & CEO.

This Committee, along with the CSR team, would play a significant role in ensuring that CSR policy is embedded across NPCI's operations and CSR initiatives are in line with the Policy.

The Board level Committee will meet at least twice a year to review the implementation of CSR projects/programs. CSR team will be responsible for the execution of the decisions taken by the Board Level CSR Committee and will ensure on ground implementation.

13. Roles and Responsibilities of the CSR Team

- a. To be the central co-coordinating point for handling NPCI's overall CSR programs across the company.
- b. To interface with the various organizational units internally and externally to ensure effective implementation of projects undertaken.
- c. Interface with the board CSR Committee to obtain necessary approvals and resolutions as may be required.
- d. Reporting to the Management on all progress made in the CSR interventions throughout the year.
- e. To plan the annual budgets for CSR activities to be undertaken.

14. Monitoring

The CSR Working Group Committee would be responsible of monitoring approved projects, which may include site visits, meetings and progress reports etc. This will be done based on the milestones and success indicators, defined for the project together with the Implementing Agency. It will be the responsibility of the Implementing Agency to provide the project progress report on a periodic basis (frequency to be decided based on the nature of the project).

15. Reporting

NPCI will report on significant CSR activities as part of its Director's Report. The reporting format would be the same as prescribed in the rules notified by the Ministry of Corporate Affairs.

16. Treatment of Surpluses

Any surplus, generated out of the CSR Activities of the NPCI, will be tracked and will be ploughed back to the CSR Initiatives. The surpluses will not be added to the normal business income of NPCI.

Annexure I

**CSR Projects/Programs listed for implementation -
As presented to the Board by the CSR team at the start of the FY 2014-15**

[Ref Section 135(3)(a) and (b)]

Sl. No.	Name / Title of the Project/ Programme identified (list all)	Subject of the CSR Project /Programme (Such as Educations, Health, Skill Development etc.)	Location: (Specify the name of the District/s, State/s where Project/ Programme is being undertaken)	Total outlay for the Project (Rs. in Lakhs)	Outlay for the Reporting Year (Rs. in lakhs)	Name, Registered Office and Registration No. of the Implementing Agency (mention all 3)
	Total			Total *		